

SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**



SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

CORPORATE INFORMATION

Business registration certificate

No. 4103010027 dated 17 April 2008 issued by the Department of Planning and Investment of Ho Chi Minh City.

Enterprise registration certificate

No. 0300583659 dated 29 February 2012 issued by the Department of Planning and Investment of Ho Chi Minh City.

The Business registration certificate was amended to the Enterprise registration certificate under joint stock company form on 29 February 2012. The sixth amended Enterprise registration certificate was issued on 1 September 2017.

Board of Management

Mr. Vo Thanh Ha	Chairman
Mr. Bui Ngoc Hanh	Member
Mr. Nguyen Bich Dat	Member
Mr. Nguyen Thanh Nam	Member (from 16 February 2017)
Mr. Vu Quang Hai	Member (until 16 February 2017)
Mr. Le Hong Xanh	Member (until 8 August 2017)

Board of Directors

Mr. Nguyen Thanh Nam	General Director (from 12 June 2017) Deputy General Director (until 12 June 2017) Sai Gon – Cu Chi Factory's Director (until 22 September 2017)
Mr. Le Hong Xanh	Managing Director (until 12 June 2017) Deputy General Director (until 1 July 2017)
Mr. Nguyen Minh An	Deputy General Director
Mr. Nguyen Huu Loc	Sai Gon – Cu Chi Factory's Director (From 22 September 2017)
Mr. Lam Du An	Deputy General Director (until 12 October 2017) Sai Gon – Nguyen Chi Thanh Factory's Director

Board of Supervisors

Mr. Nguyen Van Minh	Head of the Board (from 9 August 2017)
Mr. Dong Viet Trung	Head of the Board (until 8 August 2017)
Mr. Nguyen Van Minh	Member (from 16 February 2017 to 8 August 2017)
Mr. Ly Minh Hoang	Member (from 8 August 2017)
Mr. Hoang Giang Binh	Member (until 18 April 2017)
Mr. Chung Tri Dung	Member (until 16 February 2017)

Legal representative

Mr. Vo Thanh Ha	Chairman
Mr. Nguyen Thanh Nam	General Director (from 12 June 2017)

Registered office

No.187, Nguyen Chi Thanh Street, Ward 12, District 5, Ho Chi Minh City, Vietnam

Contact address

5th Floor, Vincom Commercial Centre, 72 Le Thanh Ton and 45A Ly Tu Trong, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam

SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

CORPORATE INFORMATION (continued)

Representative office The representative office of Saigon Beer – Alcohol – Beverage Corporation in Hanoi City: 6th Floor, No.97, Tran Hung Dao Street, Cua Nam Ward, Hoan Kiem District, Hanoi City, Vietnam

Branches Sai Gon – Cu Chi Beer Factory
Lot C1, D3 Street, Northwest Cu Chi Industrial Zone, Cu Chi Town,
Cu Chi District, Ho Chi Minh City, Vietnam

Saigon - Nguyen Chi Thanh Beer Factory
No.187, Nguyen Chi Thanh Street, Ward 12, District 5
Ho Chi Minh City, Vietnam

Auditor PwC (Vietnam) Limited

SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

STATEMENT OF THE RESPONSIBILITY OF THE BOARD OF DIRECTORS IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors of Saigon Beer – Alcohol - Beverage Corporation (“the Company”) is responsible for preparing the consolidated financial statements of the Company and its subsidiaries (together, “the Group”) which give a true and fair view of the financial position of the Group as at 31 December 2017, and of the results of operation and cash flows for the year then ended. In preparing these consolidated financial statements, the Board of Directors is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the consolidated financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Board of Directors is responsible for ensuring that proper accounting records are maintained, which disclose, with reasonable accuracy at any time, the financial position of the Group and which enable the consolidated financial statements to be prepared which comply with the basis of accounting set out in Note 2 to the consolidated financial statements. We are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying consolidated financial statements as set out on pages 6 to 68 which give a true and fair view of the financial position of the Group as at 31 December 2017 and of the results of its operations and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements.

On behalf of the Board of Directors



Nguyen Thanh Nam
General Director

Ho Chi Minh City, SR Vietnam
2 April 2018



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

We have audited the accompanying consolidated financial statements of Saigon Beer – Alcohol – Beverage Corporation (“the Company”) and its subsidiaries (together, “the Group”) which were prepared on 31 December 2017 and approved by the Board of Directors on 2 April 2018. These consolidated financial statements include the consolidated balance sheet as at 31 December 2017, the consolidated income statement and consolidated cash flow statement for the year then ended and notes to these consolidated financial statements, as set out on pages 6 to 68.

The Board of Directors’ Responsibility

The Board of Directors is responsible for the preparation and the true and fair presentation of the consolidated financial statements in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements and for such internal control which the Board of Directors determines necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with Vietnamese Standards on Auditing. Those standards require that we comply with ethical standards and requirements and plan and perform the audit in order to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including an assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group’s preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Auditor's Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2017, its financial performance and cash flows for the year then ended in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on the preparation and presentation of consolidated financial statements.

Other Matters

The consolidated financial statements of the Group for the year ended 31 December 2016 were audited by another auditor, who expressed an unmodified opinion on those statements on 7 March 2017. The Board of Directors decided to restate the consolidated financial statements for the year ended 31 December 2016 as disclosed in Note 44.

The independent auditor's report is prepared in Vietnamese and English. Should there be any conflict between the Vietnamese and English copies, the Vietnamese copy shall take precedence.

For and on behalf of PwC (Vietnam) Limited



Quach Thanh Chau
Audit Practising Licence No: 0875-2018-006-1
Authorised signatory

Luong Thi Anh Tuyet
Audit Practising Licence No: 3048-2017-006-1

Report reference number: HCM7186
Ho Chi Minh City, 2 April 2018

As indicated in Note 2.1 to the consolidated financial statements, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than SR Vietnam, and furthermore their utilisation is not designed for those who are not informed about SR Vietnam's accounting principles, procedures and practices.

CONSOLIDATED BALANCE SHEET

Code	ASSETS	Note	As at 31 December	
			2017 VND	2016 VND (Restated – Note 44)
100	CURRENT ASSETS		13,686,327,476,651	10,722,470,187,475
		3		
110	Cash and cash equivalents		4,268,598,818,042	3,444,825,444,503
111	Cash		1,631,824,576,797	1,067,588,147,827
112	Cash equivalents		2,636,774,241,245	2,377,237,296,676
120	Short-term investments	4(a)	6,558,801,231,269	3,174,321,174,216
123	Investments held-to-maturity		6,558,801,231,269	3,174,321,174,216
130	Short-term receivables		715,326,353,415	1,090,484,124,645
131	Short-term trade accounts receivable	5	171,320,969,298	551,218,730,609
132	Short-term prepayments to suppliers	6	108,549,780,497	166,784,656,218
136	Other short-term receivables	7(a)	468,739,410,975	402,155,031,238
137	Provision for doubtful debts – short-term	8(a)	(53,455,692,637)	(49,846,178,702)
139	Shortage of assets awaiting resolution	9	20,171,885,282	20,171,885,282
140	Inventories	10(a)	2,003,535,067,335	2,134,361,489,832
141	Inventories		2,116,546,352,025	2,171,045,269,254
149	Provision for decline in value of inventories		(113,011,284,690)	(36,683,779,422)
150	Other current assets		140,066,006,590	878,477,954,279
151	Short-term prepaid expenses	11(a)	24,912,851,252	67,695,049,694
152	Value Added Tax to be reclaimed	19	112,192,286,560	133,125,768,230
153	Taxes and other payables to the State			
	Budget	12, 19	2,960,868,778	677,657,136,355

CONSOLIDATED BALANCE SHEET
 (continued)

Code	ASSETS (continued)	Note	As at 31 December	
			2017 VND	2016 VND (Restated – Note 44)
200	LONG-TERM ASSETS		8,327,361,633,259	8,472,277,522,027
210	Long-term receivables		20,093,775,062	17,479,816,391
211	Long-term account receivables		4,761,134,371	5,317,157,150
215	Long-term lending		4,000,000,000	4,000,000,000
216	Other long-term receivables	7(b)	49,118,570,411	46,503,666,490
219	Provision for doubtful debts – long-term	8(b)	(37,785,929,720)	(38,341,007,249)
220	Fixed assets		5,008,100,480,672	5,473,890,167,787
221	Tangible fixed assets	13(a)	4,044,747,362,200	4,488,854,249,443
222	Cost		9,343,836,360,323	9,186,604,019,960
223	Accumulated depreciation		(5,299,088,998,123)	(4,697,749,770,517)
227	Intangible fixed assets	13(b)	963,353,118,472	985,035,918,344
228	Cost		1,088,315,805,211	1,098,990,100,615
229	Accumulated amortisation		(124,962,686,739)	(113,954,182,271)
230	Investment properties	14	67,657,774,573	56,987,547,102
231	Cost		83,725,457,765	71,374,464,942
232	Accumulated depreciation		(16,067,683,192)	(14,386,917,840)
240	Long-term assets in progress		111,505,655,106	76,866,965,060
242	Construction in progress	15	111,505,655,106	76,866,965,060
250	Long-term investments		2,152,327,824,131	1,959,509,760,655
252	Investments in associates, joint ventures	4(b)	1,747,121,088,747	1,602,030,153,562
253	Investments in other entities	4(b)	736,652,914,597	763,251,332,167
254	Provision for long-term investments	4(b)	(352,315,059,118)	(426,640,604,979)
255	Investments held-to-maturity	4(a)	20,868,879,905	20,868,879,905
260	Other long-term assets		967,676,123,715	887,543,265,032
261	Long-term prepaid expenses	11(b)	816,991,436,755	756,355,605,445
262	Deferred income tax assets	16	136,822,415,511	121,304,649,369
263	Long-term supplies and spare parts	10(b)	13,862,271,449	9,883,010,218
270	TOTAL ASSETS		22,013,689,109,910	19,194,747,709,502

The notes on pages 11 to 68 are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
 (continued)

Code	RESOURCES	Note	As at 31 December	
			2017 VND	2016 VND (Restated – Note 44)
300	LIABILITIES		7,593,162,674,962	6,898,812,937,830
310	Short-term liabilities		7,401,584,603,555	6,613,016,425,796
311	Short-term trade accounts payable	17	2,020,399,662,484	2,016,162,043,577
312	Short-term advances from customers	18	89,250,848,970	490,295,652,849
313	Tax and other payables to the State Budget	19	1,209,757,064,447	971,134,583,923
314	Payable to employees		222,226,205,331	264,807,999,201
315	Short-term accrued expenses	20	196,525,953,248	226,577,837,383
318	Short-term unearned revenue		606,060,605	800,000,000
319	Other short-term payables	21(a)	2,630,180,684,051	1,270,403,801,122
320	Short-term borrowings	22(a)	722,903,981,780	1,042,309,667,870
321	Provision for long-term liabilities		12,991,411,679	-
322	Bonus and welfare funds	23	296,742,730,960	330,524,839,871
330	Long-term liabilities		191,578,071,407	285,796,512,034
332	Long-term advances from customers		22,183,449	22,183,449
337	Other long-term payables	21(b)	53,632,516,000	52,776,316,000
338	Long-term borrowings	22(b)	1,941,629,834	164,412,285,558
341	Deferred income tax liabilities	16	17,217,198,238	13,747,487,771
342	Provision for long-term liabilities		64,493,890,463	567,585,833
343	Fund for science and technology development		54,270,653,423	54,270,653,423
400	OWNERS' EQUITY		14,420,526,434,948	12,295,934,771,672
410	Capital and reserves		14,420,489,034,948	12,295,897,371,672
411	Owners' capital	24, 25	6,412,811,860,000	6,412,811,860,000
411a	- Ordinary shares with voting rights		6,412,811,860,000	6,412,811,860,000
414	Owners' other capital	25	3,208,666,226	3,208,666,226
415	Treasury shares	25	-	(23,450,000,000)
417	Foreign exchange differences	25	19,113,771,975	17,006,600,079
418	Investment and development funds	25	1,118,963,482,640	1,118,398,295,310
420	Other funds	25	5,327,112,664	6,040,737,039
421	Undistributed earnings	25	5,823,903,898,574	3,713,726,741,137
421a	- Undistributed earnings of the previous years		2,946,086,838,409	1,675,604,484,894
421b	- Post-tax profit of current year		2,877,817,060,165	2,038,122,256,243
429	Non-controlling interests	25, 26	1,037,160,242,869	1,048,154,471,881
430	Budget sources and other funds		37,400,000	37,400,000
431	Budget sources		37,400,000	37,400,000
440	TOTAL RESOURCES		22,013,689,109,910	19,194,747,709,502


 Hoang Thanh Van
 Preparer


 Nguyen Tien Dung
 Chief Accountant


 Nguyen Thanh Nam
 General Director
 2 April 2018


CONSOLIDATED INCOME STATEMENT

Code	Note	For the year ended 31 December	
		2017 VND	2016 VND (Restated – Note 44)
01	Sales	34,438,171,048,592	30,602,446,316,556
02	Less deductions	(244,780,494,353)	(135,752,579,713)
10	Net sales	34,193,390,554,239	30,466,693,736,843
11	Cost of sales	(25,327,872,489,662)	(22,299,654,609,655)
20	Gross profit	8,865,518,064,577	8,167,039,127,188
21	Financial income	506,107,630,554	751,041,069,989
22	Financial expenses	25,805,674,678	(68,664,200,785)
23	- Including: Interest expenses	(42,111,534,689)	(82,182,081,908)
24	Profit sharing from investment in joint ventures and associates	411,873,934,391	305,649,678,623
25	Selling expenses	(2,811,111,874,500)	(2,671,906,350,771)
26	General and administration expenses	(935,974,797,536)	(780,911,026,732)
30	Net operating profit	6,062,218,632,164	5,702,248,297,512
31	Other income	106,139,463,217	138,614,329,944
32	Other expenses	(91,266,440,247)	(113,519,220,050)
40	Net other income	14,873,022,970	25,095,109,894
50	Net accounting profit before tax	6,077,091,655,134	5,727,343,407,406
51	Business income tax - current	(1,140,540,458,945)	(411,415,406,799)
52	Business income tax - deferred	12,048,055,675	(798,584,559,967)
60	Net profit after tax	4,948,599,251,864	4,517,343,440,640
	In which:		
61	Profit after tax attributable to the Company	4,711,485,204,581	4,338,773,356,882
62	Profit after tax attributable to non - controlling interests	237,114,047,283	178,570,083,758
70	Earnings per share	6,915	6,194
71	Diluted earnings per share	6,915	6,194


Hoang Thanh Van
Preparer



Nguyen Tien Dung
Chief Accountant


Nguyen Thanh Nam
General Director
2 April 2018

COSOLIDATED CASH FLOW STATEMENT
(Indirect method)

Code	Notes	For the year ended 31 December	
		2017 VND	2016 VND (Restated – Note 44)
CASH FLOWS FROM OPERATING ACTIVITIES			
01	Net accounting profit before tax	6,077,091,655,134	5,727,343,407,406
	Adjustments for:		
02	Depreciation and amortisation	625,353,451,649	632,464,161,880
03	Provisions/(reversal of provisions)	81,974,112,122	(7,126,993,043)
04	Unrealised foreign exchange losses	105,642,811	1,407,026
05	Profits from investing activities	(920,687,812,365)	(1,053,307,864,078)
06	Interest expenses	42,111,534,689	82,182,081,908
08	Operating profit before changes in working capital	5,905,948,584,040	5,381,556,201,099
09	Decrease/(increase) in receivables	187,690,969,602	(106,137,506,487)
10	Decrease/(increase) in inventories	50,519,655,998	(210,519,271,008)
11	Decrease in payables	(329,359,651,676)	(2,915,780,040,492)
12	Increase in prepaid expenses	(17,853,632,868)	(54,335,072,441)
14	Interest paid	(44,424,319,099)	(87,165,769,568)
15	Business income tax paid	(294,736,168,316)	(984,037,331,258)
17	Other payments on operating activities	(389,966,128,772)	(304,207,973,110)
20	Net cash inflows from operating activities	5,067,819,308,909	719,373,236,735
CASH FLOWS FROM INVESTING ACTIVITIES			
21	Purchases of fixed assets and other long-term assets	(151,157,759,584)	(156,346,954,556)
22	Proceeds from disposals of fixed assets and other long-term assets	14,863,280,117	40,502,081,658
23	Deposits at banks with maturity exceeding 3 months	(7,278,046,709,349)	(3,034,021,174,216)
24	Proceeds from lendings, deposits at banks with maturity exceeding 3 months	3,893,566,652,296	809,466,940,162
25	Investments in other entities	(43,880,715,400)	(27,824,678,187)
26	Proceeds from divestment in other entities	66,048,265,300	581,149,667,139
27	Dividends and interest received	678,088,897,966	783,616,859,474
30	Net cash outflows from investing activities	(2,820,518,088,654)	(1,003,457,258,526)
CASH FLOWS FROM FINANCING ACTIVITIES			
31	Proceeds from reissue of treasury shares	67,207,854,357	5,820,025,630
33	Proceeds from borrowings	3,541,517,218,824	3,880,680,269,651
35	Repayments of borrowings	(4,023,393,560,638)	(4,336,074,219,633)
36	Dividends paid	(1,008,864,945,050)	(3,757,483,070,376)
40	Net cash outflows from financing activities	(1,423,533,432,507)	(4,207,056,994,728)
50	Net increase/(decrease) in cash and cash equivalents	823,767,787,748	(4,491,141,016,519)
60	Cash and cash equivalents at beginning of year	3,444,825,444,503	7,935,974,303,078
61	Effect of foreign exchange differences	5,585,791	(7,842,056)
70	Cash and cash equivalents at end of year	4,268,598,818,042	3,444,825,444,503

Major non-cash transactions in the year were presented in Note 40


 Hoang Thanh Van
 Preparer


 Nguyen Tien Dung
 Chief Accountant


 Nguyen Thanh Nam
 General Director
 2 April 2018



The notes on pages 11 to 68 are an integral part of these consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1 GENERAL INFORMATION

Saigon Beer - Alcohol - Beverage Corporation ("the Company") was established as a State-Owned General Corporation under Decision No. 74/2003/QĐ-BCN dated 6 May 2003 of the Ministry of Industry (now the Ministry of Industry and Trade) by restructuring Saigon Beer Company and merging it with Binh Tay Liquor Company, Chuong Duong Beverage Company and Phu Tho Glass Company into the Company. On 11 May 2004, the Ministry of Industry issued Decision No. 37/2004/QĐ-BCN to restructure the Company into a parent - subsidiary structure. The Company's operation was licenced in accordance with Business registration certificate No. 4106000286 issued by the Department of Planning and Investment of Ho Chi Minh City on 1 September 2006.

The Company was equitised as per Decision No. 1862/QĐ-TTg dated 28 December 2007 of the Prime Minister and was approved under Joint Stock Business registration certificate No. 4103010027 dated 17 April 2008 by the Department of Planning and Investment of Ho Chi Minh City. As at that date, the newly established joint stock company assumed control over all assets and liabilities from the former State-Owned General Corporation.

The Business registration certificate was amended to the Enterprise registration certificate under joint stock company form No. 0300583659 dated 29 February 2012 issued by the Department of Planning and Investment of Ho Chi Minh City. The sixth amended Enterprise registration certificate was issued on 1 September 2017 to update the information on the legal representatives of the Company.

The Company's shares were listed on the Ho Chi Minh City Stock Exchange with trading code SAB in accordance with Decision No. 470/QĐ-SGDHCM dated 15 November 2016 issued by the Ho Chi Minh City Stock Exchange.

The principal activities of the Group are:

- To produce and sell beer, alcohol, beverages and related products including materials and packaging materials;
- To provide warehousing, logistics and transportation services;
- To manufacture mechanical equipment, structural steel construction, and mechanical equipment installation services; and
- To construct and provide real estates services

The normal business cycle of the Group is within 12 months.

As at 31 December 2017, the Group has 8,395 employees (as at 31 December 2016: 8,183 employees).

As at 31 December 2017, the Group has 23 subsidiaries and 21 joint ventures, associates as presented in the following page.

The consolidated financial statements comprise of the financial statements of the Company and its subsidiaries (together, "the Group") and the Group's interest in associates and joint ventures as listed on the next pages:

SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

Form B 09 - DN/HN

1 GENERAL INFORMATION (continued)

Name	Location (Province/City)	Main principal activities	2017		2016	
			% of ownership	% of voting right	% of ownership	% of voting right
I - Subsidiaries						
Saigon - Mien Tay Beer Joint Stock Company	Can Tho	Produce and trade beer	51	51	51	51
Chuong Duong Beverages Joint Stock Company	Ho Chi Minh	Produce and trade beverage	62.06	62.06	62.06	62.06
Saigon - Quang Ngai Beer Joint Stock Company	Quang Ngai	Produce and trade beer	66.56	66.56	66.56	66.56
Binh Tay Liquor Joint Stock Company	Ho Chi Minh	Produce and trade alcohol	93.29	93.46	93.29	93.46
Saigon - Dong Xuan Beer Alcohol Joint Stock Company	Phu Tho	Produce and trade beer, alcohol and beverage	55.83	56.24	55.83	56.24
Saigon - Nghe Tinh Beer Joint Stock Company	Nghe An	Produce and trade beer, alcohol and beverage	54.73	54.73	54.73	54.73
Saigon - Song Lam Beer Joint Stock Company	Nghe An	Produce and trade beer and beverage; import and export related materials	68.78	68.78	68.78	68.78
Saigon - Hanoi Beer Joint Stock Company	Ha Noi	Produce and trade beer and beverage; import and export related materials	52.11	52.11	52.11	52.11
Saigon Beer Trading One Member Company Limited	Ho Chi Minh	Trade beer	100	100	100	100
Saigon Mien Bac Beer Trading Joint Stock Company	Ha Noi	Trade alcohol, beer, and beverage; transportation and warehousing	94.72	94.72	94.72	94.72
Saigon Bac Trung Bo Beer Trading Joint Stock Company	Nghe An	Trade alcohol, beer, and beverage; transportation and warehousing	94.92	94.92	94.92	94.92
Saigon Center Beer Trading Joint Stock Company	Ho Chi Minh	Trading alcohol and non-alcohol drink, trading chemical	94.23	94.23	94	94
Saigon Mien Trung Beer Trading Joint Stock Company	Quang Ngai	Trade alcohol, beer, beverage	91.24	91.24	91.24	91.24

SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

Form B 09 – DN/HN

1 GENERAL INFORMATION (continued)

Name	Location (Province/City)	Main principal activities	2017		2016	
			% of ownership	% of voting right	% of ownership	% of voting right
I - Subsidiaries (continued)						
Saigon Tay Nguyen Beer Trading Joint Stock Company	Daklak	Trade alcohol, beer, beverage	90	90	90	90
Saigon Nam Trung Bo Beer Trading Joint Stock Company	Khanh Hoa	Trade alcohol, beer, beverage	90.14	90.14	90.14	90.14
Saigon Mien Dong Beer Trading Joint Stock Company	Binh Duong	Trade alcohol, beer, beverage	90.68	90.68	90.68	90.68
Saigon Song Tien Beer Trading Joint Stock Company	Vinh Long	Trade alcohol, beer, beverage	90	90	90	90
Saigon Song Hau Beer Trading Joint Stock Company	Can Tho	Trade alcohol, beer, beverage	90	90	90	90
Sabeco Mechanical One Member Limited Company	Ho Chi Minh	Manufacture equipments used in food manufacturing, installation and maintain machinery system and equipment	100	100	100	100
Saigon - Soc Trang Beer One Member Limited Company	Soc Trang	Produce and trade beer, yeasty malt, mineral water, bottled pure water	51	100	51	100
Saigon Dong Bac Trading Joint Stock Company	Ho Chi Minh	Trade alcohol, beer, beverage	90.45	90.45	90.45	90.45
Saigon - Ha Tinh Beer One Member Company Limited	Ha Tinh	Produce and trade beer, yeasty malt, mineral water, bottled pure water	100	100	100	100
Saigon Packaging Joint Stock Company	Ho Chi Minh	Produce canned foods, carton and metal packaging products	76.81	76.81	76.81	76.81

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1 GENERAL INFORMATION (continued)

Name	Location (Province/City)	Main principal activities	2017		2016	
			% of ownership	% of voting right	% of ownership	% of voting right
II - Joint ventures						
Me Linh Point Limited Company (*)	Ho Chi Minh	Real estate managements and office leasing	35	25	35	25
Crown Beverage Cans Saigon Limited Company	Ho Chi Minh	Manufacture aluminium cans	30.04	30.04	30.04	30.04
Malaya Vietnam Glass Limited Company	Ho Chi Minh	Manufacture glass products	30	30	30	30
San Miguel Phu Tho Packaging Limited Company	Ho Chi Minh	Manufacture and trade metal packaging	35	35	35	35
Vietnam Spirits and Wine Company Limited	Ho Chi Minh	Produce and trade alcohol and alcohol-related products	45	45	45	45
III - Associates						
Trung Sa Food Joint Stock Company	Ho Chi Minh	Produce agricultural products and foods	38.53	38.98	38.53	38.98
Saigon - Phu Ly Beer Joint Stock Company (**)	Ha Nam	Produce beer, mineral water, provide hotel and transportation services	29.76	29.76	29.76	29.76
Thanh Nam Consulting and Transferring Technology Joint Stock Company	Ho Chi Minh	Provide consulting construction and designing services	28.57	28.57	28.57	28.57
Saigon - Phu Tho Beer Joint Stock Company	Phu Tho	Produce beer, alcohol and beverage	30.52	33.85	30.52	33.85
Mechanical and Industrial Contrustion Joint Stock Company	Ho Chi Minh	Manufacture, install machinery, bridges and roads and industrial construction products.	26	26	26	26
Saigon - Tay Do Beer and Beverage Joint Stock Company	Can Tho	Manufacture and trade alcohol, beer, beverage, soya milk, fruit juice	27.62	34.92	30.77	38.51
Saigon – Binh Tay Beer Joint Stock Company (**)	Ho Chi Minh	Produce, process and trade food, beverage, beer, alcohol, construction materials, provide industrial and civil construction services	21.43	22.17	21.43	22.17
Saigon - Mien Trung Beer Joint Stock Company	Daklak	Produce and trade beer, alcohol, beverages and spare parts	32.39	32.41	32.39	32.41
Tan Thanh Investment Trading Joint Stock Company	Ho Chi Minh	Construction and real estates	29	29	29	29
Saigon - Bac Lieu Beer Joint Stock Company	Bac Lieu	Produce beer, alcohol and beverage	10.2	20	10.2	20
Saigon - Ninh Thuan Beer Joint Stock Company (*) (**)	Ninh Thuan	Produce beer, alcohol and beverage	10.26	10.26	20	20
Saigon - Vinh Long Beer Joint Stock Company	Vinh Long	Produce beer, alcohol and beverage	20	20	20	20

SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

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1 GENERAL INFORMATION (continued)

Name	Location (Province/City)	Main principal activities	2017		2016	
			% of ownership	% of voting right	% of ownership	% of voting right
III - Associates (continued)						
Saigon - Kien Giang Beer Joint Stock Company	Kien Giang	Produce and trade beer, alcohol, beverages and spare parts	20	20	20	20
Saigon - Khanh Hoa Beer Joint Stock Company	Khanh Hoa	Produce and trade beer, alcohol, beverages and spare parts	26	26	26	26
Saigon - Ben Tre Beer Joint Stock Company (****)	Ben Tre	Produce beer, alcohol and beverage	20	20	-	-
Saigon - Lam Dong Beer Joint Stock Company (****)	Lam Dong	Produce beer, alcohol and beverage	20	20	-	-

(*) Ownership of the Company in the joint venture with Me Linh Point Company Limited was stated in the joint venture agreement dated 24 November 1994 between Chuong Duong Beverages Joint Stock Company ("Chuong Duong") and the counter party Centrepoint Properties Ltd., a company established in Singapore. At the equitisation of Chuong Duong, the ownership of this joint venture agreement was transferred from Chuong Duong to the Company in 2004 following the approval of the Ministry of Industry. According to the joint venture agreement, profit is allocated to each party in the joint venture follows a schedule stated in this agreement. In 2017, the ratio are 35% and 65% for the Company and the counter party, respectively.

(**) According to Resolution of Annual General Meeting of Saigon - Binh Tay Beer Joint Stock Company ("Binh Tay") on 15 April 2017, the plan to issue shares into the public to swap and merge Saigon - Ninh Thuan Beer Joint Stock Company and Saigon - Phu Ly Beer Joint Stock Company into Binh Tay was approved. At the date of these consolidated financial statements, the swap and merger mentioned previously have not yet been completed. Therefore, the Group still maintained the current ownership and voting right in these three companies.

(***) According to Resolution No. 100/2016/QĐ-HĐQT dated 24 November 2016 of the Board of Management and the Merger Contract dated 29 September 2016 between Saigon - Ninh Thuan Beer Joint Stock Company and Sagota Saigon - Ninh Thuan Beer Joint Stock Company, on 30 November 2016, Sagota Saigon - Ninh Thuan Beer Joint Stock Company was merged into Saigon - Ninh Thuan Beer Joint Stock Company. Following the merger, ownership and voting right of the Company has decreased from 20% in 2016 to 10.26% as at 31 December 2017 and Saigon - Ninh Thuan Beer Joint Stock Company is no longer an associate.

(****) According to Decision No.59/2017/QĐ - HĐQT dated 13 March 2017, the Company has invested VND20,000,000 into Saigon - Ben Tre Beer Joint Stock Company, accounting for 20% of share capital of this associate.

(*****) According to the Decision No 114/2007/NQ - HĐQT dated 12 October 2017, the Company has invested VND20,000,000 into Saigon - Lam Dong Beer Joint Stock Company, accounting for 20% of share capital of this associate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation of consolidated financial statements**

The consolidated financial statements have been prepared in accordance with Vietnamese Accounting Standards, the Vietnamese Corporate Accounting System and applicable regulations on preparation and presentation of consolidated financial statements. The consolidated financial statements have been prepared under the historical cost convention.

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Vietnam. The accounting principles and practices utilised in Vietnam may differ from those generally accepted in countries and jurisdictions other than Vietnam.

2.2 Fiscal year

The Group's fiscal year is from 1 January to 31 December.

2.3 Currency

The consolidated financial statements are measured and presented in Vietnamese Dong ("VND").

Transactions arising in foreign currencies are translated at exchange rates ruling at the transaction dates. Foreign exchange differences arising from these transactions are recognised in the consolidated income statement.

Monetary assets and liabilities denominated in foreign currencies at the consolidated balance sheet date are respectively translated at the buying and selling exchange rates at the consolidated balance sheet date of the commercial banks where the Group regularly trades. Foreign currencies deposited in banks at the consolidated balance sheet date are translated at the buying exchange rate of the commercial banks where the Group opens the foreign currency accounts. Foreign exchange differences arising from these translations are recognised in the consolidated income statement.

2.4 Basis of consolidation***Subsidiaries***

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the consolidated income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.4 Basis of consolidation (continued)*****Subsidiaries (continued)***

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling transactions and interests

The Group applies a policy for transactions with non-controlling interests as transactions with external parties to the Group.

Non-controlling interests ("NCI") are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

The divestment of Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners. The difference between the change in the Group's share of net assets of the subsidiary and any consideration paid or received of divestment of Group's interest in a subsidiary is recorded directly in the undistributed earnings under equity.

Joint ventures and associates

Joint ventures are contractual arrangements whereby two or more parties undertake an economic activity which is subject to joint control. Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in joint ventures and associates are accounted for using the equity method of accounting and are initially recognised at cost. The Group's investment in joint ventures and associates includes goodwill identified on acquisition, net of any accumulated impairment loss.

The Group's share of its joint ventures' and associates' post-acquisition profits or losses is recognised in the consolidated income statement, and its share of post-acquisition movements in reserves is recognised in consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture or associate equals or exceeds its interest in the joint venture or associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture or associate.

Accounting policies of joint ventures and associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Unrealised gains and losses on transactions between the Group and its joint ventures and associates are eliminated to the extent of the Group's interest in the joint ventures and associates. Accounting policies of joint ventures and associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.5 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash at bank, cash in transit, demand deposits and other short-term investments with an original maturity of three months or less.

2.6 Trade receivables

Trade receivables are carried at the original invoice amount less an estimate made for doubtful receivables based on a review by the Board of Directors of all outstanding amounts at the year end. Bad debts are written off when identified.

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured products, cost includes all direct expenditure and production overheads based on normal levels of operating activity. Net realisable value is the estimated selling price in the normal course of business, less the estimated costs of completion and selling expenses. Provision is made, where necessary, for obsolete, slow-moving and defective inventory items.

2.8 Financial investments**(a) Investments held-to-maturity**

Investments held-to-maturity are investments for which the Board of Directors has positive intention and the ability to hold until maturity.

Investments held-to-maturity include term deposits, bonds, and other held-to-maturity investments. Those investments are accounted for at cost less provision.

Provision for diminution in value of investments held-to-maturity is made when there is evidence that part or the whole of the investment is uncollectible.

(b) Investments in joint ventures and associates

Investments in joint ventures and associates are accounted using the equity method when preparing the consolidated financial statements (Note 2.4).

(c) Investments in equity of other entities

Investments in equity of other entities are investments in equity instruments of other entities without controlling rights or co-controlling rights, or without significant influence over the investee.

These investments are initially stated at cost of acquisition, except for certain investments which were revalued as at 31 December 2006 and 30 April 2008 for the equitisation purposes in accordance with Equitisation Finalisation Minutes dated 6 March 2010.

Provision for diminution in value of these investments is made when the entities make losses, except when the loss was anticipated in their business plan before the date of investment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.9 Fixed assets***Tangible and intangible fixed assets*

Fixed assets are stated at historical cost less accumulated depreciation/amortisation, except for certain items which had been revalued in connection with the equitisation process of the State-Owned General Corporation in accordance with Prime Minister's Decision No. 1862/QD-TTg. Historical cost includes expenditure that is directly attributable to the acquisition of the fixed assets. During the equitisation process of the State-Owned General Corporation, fixed assets were revalued on 31 December 2006 and on 30 April 2008.

Depreciation and amortisation

Fixed assets are depreciated/amortised on the straight-line method, to write off the cost of the assets to their residual value over their estimated useful lives. The estimated useful lives of fixed assets are as follows:

Plant and buildings	5 - 25 years
Machinery	5 - 12 years
Motor vehicles	3 - 8 years
Office equipment	3 - 5 years
Software	3 years

Land use rights with an indefinite term which were revalued during equitisation process of the State-Owned General Corporation in accordance with the Prime Minister's Decision No. 1862/QD-TTg are not amortised.

Land use rights with definite term are amortised using the straight-line method in accordance with the terms indicated in the land use rights.

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are recognised as income or expense in the consolidated income statement.

Construction in progress

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost. Cost includes professional fees and, for qualifying assets, borrowing costs dealt with in accordance with the Company's accounting policies. Depreciation of these assets, on the same basis as other fixed assets, commences when the assets are ready for their intended use.

2.10 Leased assets

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.11 Investment properties**

Cost of an investment property means the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire the investment property at the time of its acquisition or completion of construction.

Depreciation and amortisation

Investment properties held for lease are depreciated/amortised on the straight-line method to write off the cost of the assets over their estimated useful lives. The estimated useful lives of the assets are as follows:

Buildings	20 years
Land use rights	46 years

Investment properties held for price appreciation are not depreciated from 1 January 2015 according to Circular 200/2014/TT-BTC. Impairment of investment properties held for price appreciation is recognised when there are objective evidences of the impairment in the value of investment properties compared to the market price and the impairment allowance can be estimated reliably. Impairment allowance is recorded to cost of sales.

Disposals

Gains or losses on disposals are determined by comparing net disposal proceeds with the net book value and are recognised as income or expense in the consolidated income statement.

2.12 Prepaid expenses

Prepaid expenses include short-term and long-term prepayments on the consolidated balance sheet. Prepaid expenses are recorded at historical cost and allocated using the straight-line method over estimated useful lives.

2.13 Payables

Classifications of payables are based on their nature as follows:

- Trade accounts payable are trade payables arising from purchase of goods and services.
- Other payables are non-trade payables, and not relating to purchase of goods and services.

Payables are classified into long-term and short-term payables on the consolidated balance sheet based on remaining period from the consolidated balance sheet date to the maturity date.

2.14 Borrowing costs

Borrowing costs that are directly attributable to the construction or production of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are recognised in the consolidated income statement when incurred.

2.15 Accrued expenses

Accrued expenses include liabilities for goods and services received in the year but not yet paid for due to pending invoice or insufficient records and documents. Accrued expenses are recorded as expenses in the reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.16 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provision is not recognised for future operating losses.

Provisions are measured at the expenditure expected to be required to settle the obligation. If the time value of money is material, provision will be measured at the present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

2.17 Provision for severance allowances

In accordance with Vietnamese labour laws, employees of the Group who have worked regularly for a full 12 months or longer, are entitled to a severance allowance. The working period used for the calculation of severance allowance is the period during which the employee actually works for the Group less the period during which the employee participates in the unemployment insurance scheme in accordance with the labour regulations and the working period for which the employee has received a severance allowance from the Group.

The severance allowance is accrued at the end of the reporting period on the basis that each employee is entitled to half of an average monthly salary for each working year. The average monthly salary used for calculating the severance allowance is the employee's average salary for the six-month period prior to the separate balance sheet date.

This allowance will be paid as a lump sum when the employees terminate their labour contracts in accordance with current regulations.

2.18 Share capital

Owners' capital of the shareholders is recorded according to actual amount contributed and are recorded according to the par value of the share.

Treasury shares are shares issued by the Group and bought-back by itself, but these are not cancelled and shall be re-issued in the period in accordance with the Law on securities.

Other capital shall be recorded in owners' other capital at the reporting date.

Undistributed earnings record the Group's results after business income tax at the reporting date.

2.19 Appropriation of net profit

Net profit after income tax could be distributed to shareholders after approval at Annual General Meeting, and after appropriation to other funds in accordance with the charter of the Company and its subsidiaries and Vietnamese regulations.

The Group's funds are as follows:

(a) Development and investment fund

Investment and development fund is appropriated from the net profit after tax as proposed by the Board of Management and subject to shareholders' approval at the Annual General Meeting. The fund is set aside for the use in the Group's expansion of its operation or in-depth investments.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.19 Appropriation of net profit (continued)****(b) Bonus and welfare fund**

The bonus and welfare fund is appropriated from the net profit after tax as proposed by the Board of Management and subject to shareholders' approval at the Annual General Meeting. The fund is set aside for the purpose of pecuniary rewarding and encouragement, common benefits and improvement of the employees' benefits.

(c) Social contribution fund

The social contribution fund is appropriated from the net profit after tax as proposed by the Board of Management and subject to shareholders' approval at the Annual General Meeting. The fund is set aside for the purpose of social welfare activities, charity activities, and society and community activities of the Group.

(d) Fund for science and technology development

The fund for science and technology development is appropriated from the taxable profit in accordance with prevailing regulations. The fund is set aside for the purpose of science and technology development of the Group.

2.20 Dividend distribution

Net profit after tax is available for appropriation to shareholders as proposed by the Board of Management and subject to shareholders' approval at the Annual General Meeting.

2.21 Revenue recognition**(a) Sales of goods**

Revenue from the sale of goods is recognised in the consolidated income statement when all five of the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the possible return of goods.

Revenue is recognised based on principle of *substance over form* and allocated to each sales obligation. In the event that the Group gives promotional goods to customers associated with customers' purchase, the Group allocates total consideration received for goods sold and promotional goods. The cost of promotional goods is recognised as cost of sales in the consolidated income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.21 Revenue recognition (continued)****(b) Rendering of services**

Revenue from rendering of services is recognised in the consolidated income statement when the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. Revenue from the sale of services is only recognised when all four of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group;
- The percentage of completion of the transaction at the consolidated balance sheet date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

(c) Interest income

Interest income is recognised on an earned basis.

(d) Dividend income

Income from dividend is recognised when the Group has established the receiving right from investees.

2.22 Cost of sales

Cost of goods sold or cost of services rendered are the cost of finished goods, merchandises, materials sold or services provided during the year, and recorded on the basis of matching with revenue and on prudent concept.

2.23 Financial expenses

Finance expenses are expenses incurred in the year for financial activities including expenses or losses relating to financial investment activities; expenses of lending and borrowing; costs of capital contributed to joint ventures, associates; provision for diminution in value of investments in other entities, losses incurred when selling foreign currencies, and losses from foreign exchange differences.

2.24 Selling expenses

Selling expenses represent expenses that are incurred in the process of selling products, goods, and providing services, which mainly include publicity, display, promotions, advertising expenses, sale commissions, maintenance charges, packaging, and transportation.

2.25 General and administration expenses

General and administration expenses represent expenses for administrative purposes which mainly include salary expenses of administrative staffs (salaries, wages, allowances, etc.); social insurance, medical insurance, labour union fees, unemployment insurance of administrative staff; expenses of office materials, tools and supplies; depreciation of fixed assets used for administration; land rental; licence tax, provision for bad debts, outside services, and other cash expenses.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.26 Current and deferred income tax**

Income taxes include all income taxes which are based on taxable profits including profits generated from production and trading activities in other countries with which the Socialist Republic of Vietnam has not signed any double taxation agreement. Income tax expense comprises current tax expense and deferred tax expense.

Current income tax is the amount of income taxes payable or recoverable in respect of the current year taxable profits at the current year tax rates. Current and deferred tax should be recognised as an income or an expense and included in the profit or loss of the year, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of occurrence affects neither the accounting nor the taxable profit or loss. Deferred income tax is determined at the tax rates that are expected to apply to the financial year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the consolidated balance sheet date.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2.27 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

The Ministry of Industry and Trade holds the large number of shares in the Company and accordingly is regarded as a related party. However, enterprises which are controlled or significantly influenced by the Ministry of Industry and Trade are not considered as related parties of the Group for the purposes of disclosure since they do not influence, or are not influenced by, the Company.

In considering the related party relationship, the Group considers the substance of the relationship not merely the legal form.

2.28 Use of estimates

The preparation of the consolidated financial statements in conformity with Vietnamese Accounting Standards requires the Board of Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of consolidated financial statements and the amounts of revenues and expenses during the year. Although these estimates are based on the Board of Directors' best knowledge of current events and actions, actual results may differ from those estimates.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.29 Segment reporting**

A segment is a component that can be consolidated by the Group engaged in providing products or services (business segment), or providing products or services within a particular economic environment (geographical segment). Each segment is subject to risks and returns that are different from those of other segments. A reportable segment is the Group's business segment or the Group's geographical segment.

Segment reporting is prepared and presented in accordance with accounting policies applied to the preparation and presentation of the Group's consolidated financial statements in order to help users of financial statements understand and evaluate the Group's operations in a comprehensive way.

3 CASH AND CASH EQUIVALENTS

	2017 VND	2016 VND
Cash on hand	5,390,868,148	3,669,098,125
Cash at bank (*)	1,626,433,708,649	1,063,919,049,702
Cash equivalents (**)	2,636,774,241,245	2,377,237,296,676
	<u>4,268,598,818,042</u>	<u>3,444,825,444,503</u>

(*) As at 31 December 2017, included in cash at bank is the amount of VND115,117,546,210 that the Company kept on behalf of the Ministry of Industry and Trade to settle the costs relating to the competitive bidding to divest the ownership of the State in the Company according to Report No. 158/2017/BC-BPĐDPVNN dated 29 December 2017.

(*) Cash equivalents include term deposits at banks with the original maturity within three months and earn interest from 4.7% to 5.5% per annum.

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4 INVESTMENTS

(a) Investments held-to-maturity

(i) Short-term

	2017			2016		
	Cost VND	Provision VND	Book value VND	Cost VND	Provision VND	Book value VND
Term deposits (*)	6,558,801,231,269	-	6,558,801,231,269	3,174,321,174,216	-	3,174,321,174,216

(*) Term deposits represent deposits at banks with the remaining maturity of less than one year and earn interest of from 4% to 12.17% per annum.

(ii) Long-term

Long-term investments held-to-maturity represent investments of the Group into bonds. The details are as follows:

	2017			2016		
	Cost VND	Provision VND	Book value VND	Cost VND	Provision VND	Book value VND
Shipbuilding Industry Corporation	20,868,879,905	(20,868,879,905)	-	20,868,879,905	(20,868,879,905)	-

(b) Investments in other entities

	2017			2016		
	Cost VND	Provision VND	Book value VND	Cost VND	Provision VND	Book value VND
Investments in joint ventures, associates (i)	1,747,121,088,747	(19,988,792,554)	1,727,132,296,193	1,602,030,153,562	-	1,602,030,153,562
Investments in other entities (ii)	736,652,914,597	(332,326,266,564)	404,326,648,033	763,251,332,167	(426,640,604,979)	336,610,727,188
	2,483,774,003,344	(352,315,059,118)	2,131,458,944,226	2,365,281,485,729	(426,640,604,979)	1,938,640,880,750

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4 INVESTMENTS (continued)

(b) Investments in other entities (continued)

(i) Investments in associates and joint ventures

The details of investments in associates and joint ventures are as follows:

Company name	Principal activities	2017				2016			
		% of ownership and voting right %	Cost VND	Fair value VND	Provisions VND	% of ownership and voting right %	Cost VND	Fair value VND	Provisions VND
Truong Sa Food Trading Joint Stock Company	Produce agricultural products and foods	38.53	4,597,654,606	(*)	-	38.53	5,270,417,859	(*)	-
Saigon - Phu Ly Beer Joint Stock Company	Produce beer, mineral water, provide hotel and transportation services	29.76	134,708,832,052	(*)	-	29.76	123,605,999,939	(*)	-
Thanh Nam Consulting and Transferring Technology Joint Stock Company	Construction and design consulting	28.57	329,653,546	(*)	-	28.57	329,653,546	(*)	-
Saigon - Phu Tho Beer Joint Stock Company	Produce beer, alcohol and beverage	30.52	81,363,598,253	111,296,340,000	-	30.52	74,457,738,231	118,490,400,000	-
Mechanical and Industrial Construction Joint Stock Company	Manufacturing, installation machinery, bridges and roads and industrial construction products	26	12,641,612,636	(*)	-	26	10,832,720,482	(*)	-
Saigon - Tay Do Beer & Beverage Joint Stock Company	Produce beer, alcohol and beverage	27.62	111,504,428,891	(*)	-	30.77	92,727,830,044	(*)	-
Me Linh Point Limited Company	Lease office building	35	119,215,074,210	(*)	-	35	114,547,277,713	(*)	-
Saigon Crown Company Limited	Manufacture aluminium cans	30.04	302,127,077,404	(*)	-	30.04	297,743,316,779	(*)	-
Malaya Vietnam Glass Company Limited	Manufacture glass products	30	169,368,729,376	(*)	-	30	135,587,617,270	(*)	-
San Miguel Phu Tho Packaging Limited Company	Manufacture and trade metal packaging	35	55,532,678,119	(*)	-	35	51,436,277,377	(*)	-
Vietnam Spirits and Wine Company Limited	Produce and trade alcohol and alcohol-related products	45	19,988,792,554	(*)	(19,988,792,554)	45	12,834,663,750	(*)	-
Saigon – Binh Tay Beer Joint Stock Company	Produce beer, alcohol and beverage	22.17	326,779,406,443	(*)	-	21.43	297,268,121,703	(*)	-
Saigon – Mien Trung Beer Joint Stock Company	Produce beer, alcohol and beverage	32.39	150,263,429,620	304,692,034,500	-	32.39	140,520,888,952	290,444,362,600	-
Tan Thanh Investment Joint Stock Company	Construction and trade real estates	29	69,681,606,168	(*)	-	29	69,918,088,079	(*)	-
Saigon – Bac Lieu Beer Joint Stock Company	Produce beer, alcohol and beverage	10.2	39,376,471,352	(*)	-	10.2	39,205,674,673	(*)	-
Saigon – Ninh Thuan Beer Joint Stock Company	Produce beer, alcohol and beverage	-	-	(*)	-	20	41,354,195,103	(*)	-
Saigon – Vinh Long Beer Joint Stock Company	Produce beer, alcohol and beverage	20	45,712,379,489	(*)	-	20	42,519,174,538	(*)	-
Saigon – Kien Giang Beer Joint Stock Company	Produce beer, alcohol and beverage	20	27,867,627,428	(*)	-	20	25,650,998,140	(*)	-
Sabeco Pearl Investment Joint Stock Company	Construction and real estates	-	-	(*)	-	26	26,219,499,384	(*)	-
Saigon – Khanh Hoa Beer Joint Stock Company	Produce beer, alcohol and beverage	26	36,062,036,600	(*)	-	-	-	-	-
Saigon – Ben Tre Beer Joint Stock Company	Produce beer, alcohol and beverage	20	20,000,000,000	(*)	-	-	-	-	-
Saigon – Lam Dong Beer Joint Stock Company	Produce beer, alcohol and beverage	20	20,000,000,000	(*)	-	-	-	-	-
			1,747,121,088,747	(19,988,792,554)			1,602,030,153,562		

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4 INVESTMENTS (continued)

(b) Long-term investments (continued)

(i) Investments in associates and joint ventures (continued)

(*) As at 31 December 2017 and 31 December 2016, information about the fair value of these investments was not available, as their shares are not publicly traded.

(ii) Investments in other entities

The details of investments in other entities are as follows:

	2017				2016			
	% of ownership and voting right %	Cost VND	Fair value VND	Provisions VND	% of ownership and voting right %	Cost VND	Fair value VND	Provisions VND
Orient Commercial Joint Stock Bank	2.31	216,579,320,000	172,985,865,600	(34,944,167,400)	2.75	216,579,320,000	62,440,184,736	(154,139,135,264)
Dong A Commercial Joint Stock Bank	0.95	136,265,460,000	(*)	(136,265,460,000)	0.95	136,265,460,000	9,467,092,000	(126,798,368,000)
Sabeco - Song Lam Packaging Joint Stock Company	16.60	50,000,000,000	(*)	-	15.33	50,000,000,000	(*)	-
PVI Saigon Company	0.21	51,475,140,000	15,584,999,400	(35,890,140,600)	0.21	51,475,140,000	12,089,298,600	(39,385,841,400)
Khong Gian Ngam Investment and Development Joint Stock Company	5.29	23,085,000,000	(*)	(23,085,000,000)	5.29	23,085,000,000	(*)	(1,721,774,409)
Orient Tourism Petroleum Joint Stock Company	9.8	30,700,950,000	5,880,000,000	(24,820,950,000)	9.8	30,700,950,000	6,762,000,000	(23,938,950,000)
Securities Investment Fund Saigon A2	10	51,107,720,722	(*)	(35,757,720,722)	10	51,107,720,722	(*)	(33,731,120,722)
Saigon Beer Delivery and Transportation Joint Stock Company	13.54	26,588,267,394	(*)	-	16.71	26,588,267,394	(*)	-
Vietnam Investment Fund	7.97	35,617,214,481	(*)	-	7.97	42,337,214,481	(*)	(24,851,604,453)
Dai Viet Securities Joint Stock Company	7.20	45,000,000,000	(*)	(11,407,259,277)	7.2	45,000,000,000	(*)	(15,958,630,635)
Hiep Phuc Sabeco Investment Company Limited	8	24,426,586,800	(*)	(24,426,586,800)	8	24,426,586,800	(*)	-
Saigon - Ninh Thuan Beer Joint Stock Company	10.26	19,800,000,000	(*)	-	-	-	-	-
Saigon - Dong Nai Beer Beverage Joint Stock Company	10.38	3,954,000,000	(*)	(3,872,396,382)	10.38	3,954,000,000	(*)	(3,327,377,203)
DIC Services and Trading Joint Stock Company	8.35	14,992,108,200	(*)	(341,936,800)	8.35	14,992,108,200	(*)	-
Dong Ha Tourism Joint Stock Company	3.64	5,600,000,000	(*)	(1,514,648,583)	3.64	5,600,000,000	(*)	(361,013,016)
Vietnam - Binh Tay Alcohol Joint Stock Company	6	300,000,000	(*)	-	6	300,000,000	(*)	-
Nha Trang Trading and Tourism Joint Stock Company	1.89	1,161,147,000	(*)	-	1.89	1,161,147,000	(*)	-
Vietnam Export - Import Commercial Joint Stock Bank	-	-	(*)	-	0.46	36,603,803,243	51,552,459,000	-
Others	-	-	(*)	-	0.00	3,074,614,327	(*)	(2,426,789,877)
		<u>736,652,914,597</u>		<u>(332,326,266,564)</u>		<u>763,251,332,167</u>		<u>(426,640,604,979)</u>

4 INVESTMENTS (continued)**(b) Long-term investments (continued)***(ii) Investments in other entities (continued)*

(*) As at 31 December 2017 and 31 December 2016, information about the fair value of these investments was not available, as their shares are not publicly traded.

(iii) Provision for long-term investments

Movements of the provision for long-term investments during the year were as follows:

	2017 VND	2016 VND
Opening balance	426,640,604,979	441,914,712,459
Increase	80,194,888,491	-
Reversal	(154,520,434,352)	(15,274,107,480)
Closing balance	<u>352,315,059,118</u>	<u>426,640,604,979</u>

5 SHORT-TERM TRADE ACCOUNTS RECEIVABLE

	2017 VND	2016 VND
Third parties (*)	110,586,954,322	145,535,841,604
Related parties (Note 41(b))	60,734,014,976	405,682,889,005
	<u>171,320,969,298</u>	<u>551,218,730,609</u>

(*) Short-term trade accounts receivable from third parties with balances accounting for more than 10% of the total balance mainly comprise the balance to be received from Huong Sen Group Joint Stock Company with the amount of VND15,630,154,481 (as at 31 December 2016: VND26,069,471,834).

As at 31 December 2017 and 31 December 2016, the balances of short-term trade accounts receivable that were past due are presented in Note 8(a).

6 SHORT-TERM PREPAYMENTS TO SUPPLIERS

	2017 VND	2016 VND
Third parties (*)	108,548,121,297	166,782,997,018
Related parties (Note 41(b))	1,659,200	1,659,200
	<u>108,549,780,497</u>	<u>166,784,656,218</u>

As at 31 December 2017 and 31 December 2016, the balances of short-term prepayments to suppliers that were past due are presented in Note 8(a).

7 OTHER RECEIVABLES**(a) Other short-term receivables**

	2017		2016	
	Book value VND	Provision VND	Book value VND (Restated – Note 40)	Provision VND
Receivables from land use right capital contribution from a related party (Note 41(b))	277,230,733,543	-	277,230,733,543	-
Interest receivables from term deposits at banks	137,325,695,453	-	48,097,432,891	-
Dividend receivables from related parties (Note 41(b))	4,184,381,836	-	487,062,575	-
Deposits	2,155,971,763	-	11,388,182,334	-
Advances to employees	5,353,747,361	(122,374,582)	8,030,727,986	(122,374,582)
Interest receivables from bonds and loans	11,088,955,594	(11,088,955,594)	11,088,955,594	(11,088,955,594)
Other receivables from related parties (Note 41(b))	1,781,508,224	-	13,632,314,182	-
Others	29,618,417,201	(12,254,776,992)	32,199,622,133	(12,615,808,074)
	<u>468,739,410,975</u>	<u>(23,466,107,168)</u>	<u>402,155,031,238</u>	<u>(23,827,138,250)</u>

As at 31 December 2017 and 31 December 2016, the balances of other short-term receivables that were past due are presented in Note 8(a).

(b) Other long-term receivables

	2017		2016	
	Book value VND	Provision VND	Book value VND	Provision VND
Deposits	41,089,805,411	-	38,474,901,490	-
Others	8,028,765,000	(8,000,000,000)	8,028,765,000	(8,000,000,000)
	<u>49,118,570,411</u>	<u>(8,000,000,000)</u>	<u>46,503,666,490</u>	<u>(8,000,000,000)</u>

As at 31 December 2017 and 31 December 2016, the balances of other long-term receivables that were past due are presented in Note 8(b).

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8 PROVISION FOR DOUBTFUL DEBTS

(a) Short-term

	2017				2016			
	Cost VND	Recoverable amount VND	Provision VND	Number of overdue days Days	Cost VND	Recoverable amount VND	Provision VND	Number of overdue days Days
Provision for short-term trade accounts receivables (Note 5)	9,676,177,624	-	(9,676,177,624)	Over 1 year	5,583,258,025	-	(5,583,258,025)	Over 1 year
Provision for short-term prepayments to suppliers (Note 6)	141,522,563	-	(141,522,563)	Over 1 year	141,522,563	-	(141,522,563)	Over 1 year
Provision for other short-term receivables (Note 7(a))	23,466,107,168	-	(23,466,107,168)	Over 1 year	23,827,138,250	-	(23,827,138,250)	Over 1 year
Shortage of assets awaiting resolution (Note 9)	20,171,885,282	-	(20,171,885,282)	Over 1 year	20,171,885,282	-	(20,171,885,282)	Over 1 year
	53,455,692,637	-	(53,455,692,637)		49,846,178,702	-	(49,846,178,702)	

(b) Long-term

	2017				2016			
	Cost VND	Recoverable amount VND	Provision VND	Number of overdue days Days	Cost VND	Recoverable amount VND	Provision VND	Number of overdue days Days
Provision for investments into Shipbuilding Industry Corporation's bonds (Note 4(a)(ii))	20,868,879,905	-	(20,868,879,905)	Over 1 year	20,868,879,905	-	(20,868,879,905)	Over 1 year
Provision for long-term trade accounts receivables	4,917,049,815	-	(4,917,049,815)	Over 1 year	5,472,127,344	-	(5,472,127,344)	Over 1 year
Provision for long-term lending	4,000,000,000	-	(4,000,000,000)	Over 1 year	4,000,000,000	-	(4,000,000,000)	Over 1 year
Provision for other long-term receivables (Note 7(b))	49,118,570,411	41,118,570,411	(8,000,000,000)	Over 1 year	46,348,696,299	38,348,696,299	(8,000,000,000)	Over 1 year
	78,904,500,131	41,118,570,411	(37,785,929,720)		76,689,703,548	38,348,696,299	(38,341,007,249)	

9 SHORTAGE OF ASSETS AWAITING RESOLUTION

	2017 VND	2016 VND
Inventories	4,356,534,586	4,356,534,586
Personal income tax receivables	6,830,212,392	6,830,212,392
Others	8,985,138,304	8,985,138,304
	<u>20,171,885,282</u>	<u>20,171,885,282</u>

10 INVENTORIES AND SPARE PARTS**(a) Inventories**

	2017		2016	
	Cost VND	Provision VND	Cost VND	Provision VND
Goods in transit	133,269,869,755	-	145,580,119,137	-
Raw materials	445,447,823,503	(33,106,801,005)	389,219,518,589	(20,511,794,712)
Tools and supplies	110,139,126,470	(52,660,898,286)	105,780,575,256	-
Work in progress	195,379,665,874	-	193,437,246,471	-
Finished goods	1,228,465,858,552	(27,243,585,399)	1,336,973,736,462	(16,171,984,710)
Others	3,844,007,871	-	54,073,339	-
	<u>2,116,546,352,025</u>	<u>(113,011,284,690)</u>	<u>2,171,045,269,254</u>	<u>(36,683,779,422)</u>

Movements in the provision for decline in value of inventories during the year were as follows:

	2017 VND	2016 VND
Opening balance	36,683,779,422	27,508,410,201
Increase	77,473,899,509	9,175,369,221
Reversal	(1,146,394,241)	-
Closing balance	<u>113,011,284,690</u>	<u>36,683,779,422</u>

(b) Long-term supplies and spare parts

	2017		2016	
	Cost VND	Provision VND	Cost VND	Provision VND
Long-term supplies and spare parts	<u>29,947,951,489</u>	<u>(16,085,680,040)</u>	<u>26,063,690,258</u>	<u>(16,180,680,040)</u>

11 PREPAID EXPENSES**(a) Short-term prepaid expenses**

	2017 VND	2016 VND
Tools for advertising activities	-	33,368,166,651
Land tax	6,946,093,638	7,023,851,235
Tools and supplies	6,715,976,137	12,586,932,949
Others	11,250,781,477	14,716,098,859
	<u>24,912,851,252</u>	<u>67,695,049,694</u>

(b) Long-term prepaid expenses

	2017 VND	2016 VND
Returnable packaging (i)	573,864,012,633	445,979,831,990
Goodwill	5,080,932,000	11,855,508,000
Land rental expenses	80,712,741,718	96,101,895,929
Tools and supplies	4,735,793,248	14,681,959,031
Warehouse rental expenses	60,458,108,678	92,980,611,907
Repair and maintenance expenses and and spare parts used for maintenance services	36,176,398,915	34,114,699,663
Property held for future investment (ii)	51,602,316,000	51,602,316,000
Others	4,361,133,563	9,038,782,925
	<u>816,991,436,755</u>	<u>756,355,605,445</u>

(i) The cost of returnable packaging is recognised into the consolidated income statement on a straight-line basis within two to three years.

(ii) Property held for future investment represents the value of land use right awaiting transfer (Note 21(b)).

Movements in long-term prepaid expenses during the year were as follows:

	2017 VND	2016 VND
Opening balance	756,355,605,445	626,304,930,215
Increase	630,225,844,217	660,716,987,595
Allocation for the year	(450,121,029,891)	(487,339,025,148)
Transfer to short-term prepaid expenses	(1,789,985,951)	(763,501,125)
Disposals	(117,259,102,946)	(42,243,688,739)
Other decreases	(419,894,119)	(320,097,353)
	<u>816,991,436,755</u>	<u>756,355,605,445</u>

SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION**Form B 09 – DN/HN****12 TAX AND OTHER RECEIVABLES FROM THE STATE BUDGET**

	2017	2016
	VND	VND
Overpaid business income tax	1,876,829,629	664,808,325,180
Other taxes	1,084,039,149	12,848,811,175
	<u>2,960,868,778</u>	<u>677,657,136,355</u>

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13 FIXED ASSETS

(a) Tangible fixed assets

	Plant and buildings VND	Machinery VND	Motor vehicles VND	Office equipment VND	Other tangible fixed assets VND	Total VND
Historical cost						
As at 1 January 2017	1,805,273,608,252	7,042,719,819,625	218,141,785,567	112,084,958,203	8,383,848,313	9,186,604,019,960
New purchases	4,548,097,756	71,996,396,522	24,193,591,275	11,288,893,960	630,149,780	112,657,129,293
Transfer from work in progress (Note 15)	39,236,356,628	29,688,194,669	-	346,958,252	-	69,271,509,549
Other increases/(decreases)	16,336,934	89,105,947	-	(25,052,500)	(97,952,381)	(17,562,000)
Transfer to investment properties (Note 14(a))	(12,350,992,823)	-	-	-	-	(12,350,992,823)
Disposals	(161,033,340)	(7,155,864,251)	(4,963,440,383)	(47,405,682)	-	(12,327,743,656)
As at 3 December 2017	1,836,562,373,407	7,137,337,652,512	237,371,936,459	123,648,352,233	8,916,045,712	9,343,836,360,323
Accumulated depreciation						
As at 1 January 2017	676,443,366,523	3,796,470,456,027	145,505,621,104	76,668,570,581	2,661,756,282	4,697,749,770,517
Charge for the year	100,623,794,384	476,692,381,630	19,442,490,166	13,211,346,910	1,043,005,394	611,013,018,484
Other increase	2,254,305,663	-	-	-	-	2,254,305,663
Transfer to investment properties (Note 14(a))	(358,208,399)	-	-	-	-	(358,208,399)
Disposals	(161,033,340)	(6,398,008,737)	(4,963,440,383)	(47,405,682)	-	(11,569,888,142)
As at 3 December 2017	778,802,224,831	4,266,764,828,920	159,984,670,887	89,832,511,809	3,704,761,676	5,299,088,998,123
Net book value						
As at 1 January 2017	1,128,830,241,729	3,246,249,363,598	72,636,164,463	35,416,387,622	5,722,092,031	4,488,854,249,443
As at 3 December 2017	1,057,760,148,576	2,870,572,823,592	77,387,265,572	33,815,840,424	5,211,284,036	4,044,747,362,200

Historical cost of tangible fixed assets that the Group has leased to its associates to earn rental income as at 31 December 2017 was VND124,633,470,071 (as at 31 December 2016: VND124,633,470,071) (Note 41(a)).

Historical cost of fully depreciated tangible fixed assets but still in use as at 31 December 2017 was VND1,279,125,997,536 (as at 31 December 2016: VND1,175,181,664,704).

13 FIXED ASSETS (continued)**(a) Tangible fixed assets (continued)**

As at 31 December 2017, tangible fixed assets with a carrying value of VND286,815,154,639 (as at 31 December 2016: VND217,000,938,448) have been pledged with banks as security for long-term and short-term borrowings granted to the Group (Note 22).

Historical cost of tangible fixed assets awaiting for disposal as at 31 December 2017 was VND51,351,731,226 (as at 31 December 2016: VND19,829,100,878).

(b) Intangible fixed assets

	Land use rights (*) VND	Softwares VND	Others VND	Total VND
Historical cost				
As at 1 January 2017	1,036,650,762,548	62,091,890,585	247,447,482	1,098,990,100,615
New purchase	-	1,761,200,000	-	1,761,200,000
Disposals	(12,435,495,404)	-	-	(12,435,495,404)
As at 3 December 2017	<u>1,024,215,267,144</u>	<u>63,853,090,585</u>	<u>247,447,482</u>	<u>1,088,315,805,211</u>
Accumulated amortisation				
As at 1 January 2017	64,811,870,903	49,035,179,767	107,131,601	113,954,182,271
Charge for the year	7,087,713,000	5,883,218,003	46,945,209	13,017,876,212
Disposals	(2,009,371,744)	-	-	(2,009,371,744)
As at 3 December 2017	<u>69,890,212,159</u>	<u>54,918,397,770</u>	<u>154,076,810</u>	<u>124,962,686,739</u>
Net book value				
As at 1 January 2017	<u>971,838,891,645</u>	<u>13,056,710,818</u>	<u>140,315,881</u>	<u>985,035,918,344</u>
As at 3 December 2017	<u><u>954,325,054,985</u></u>	<u><u>8,934,692,815</u></u>	<u><u>93,370,672</u></u>	<u><u>963,353,118,472</u></u>

Historical cost of fully amortised intangible fixed assets but still in use as at 31 December 2017 was VND45,268,729,863 (as at 31 December 2016: VND42,005,258,076).

(*) Land use rights included the value of land use rights that the Company has recorded at the estimated value into the increase in value of the Company on the equisitation date at "Intangible fixed assets" account and the corresponding "Other short-term payables" account with the amount of VND735,379,872,700 as stated in the Minutes of Corporate Valuation as at 31 December 2007 and the Equisitation Finalisation Minutes as at 30 April 2008 dated 6 March 2010 issued by the Equisitation Finalisation Committee consisting of representatives of the Ministry of Industry and Trade and the Ministry of Finance (Note 21(a)).

The Ministry of Industry and Trade has allowed the Company to manage and use these land use rights following the plan of the People's Committee of Ho Chi Minh City. At the date of this consolidated financial statements, the Company is in the process of preparing the land rental contracts with the People's Committee of Ho Chi Minh City. Currently, those land lots are used for principal activities of the Company. They are temporary land use rights with restrictions on ownership and are not permitted for sale, sublease and mortgage.

13 FIXED ASSETS (continued)**(b) Intangible fixed assets (continued)**

Details of land use rights recorded at the estimated increased value on 6 March 2010 are as follows:

No.	Location	Square m2	Revalued amount in connection with equitisation VND
1	46 Ben Van Don, Ward 12, District 4, Ho Chi Minh City, Vietnam	3,872.5	55,241,212,500
2	187 Nguyen Chi Thanh, Ward 12, District 5, Ho Chi Minh City, Vietnam	17,406.1	418,634,111,100
3	474 Nguyen Chi Thanh, Ward 6, District 10, Ho Chi Minh City, Vietnam	7,729	247,637,160,000
4	18/3B Phan Huy Ich, Ward 15, Tan Binh District, Ho Chi Minh City, Vietnam	2,216.3	13,867,389,100
			735,379,872,700

The Company had not amortised the above land use rights because their costs and useful lives have not been reliably measured at the consolidated balance sheet date. However, the Company has recorded land rental expenses of VND22,198,354,050 during the year (year 2016: VND20,718,137,655) in accordance with land tax payment notices of local tax authorities.

14 INVESTMENT PROPERTIES

	2017 VND	2016 VND (Restated – Note 44)
Investment properties for lease	35,896,864,916	25,226,637,445
Investment properties held-for-price appreciation	31,760,909,657	31,760,909,657
	67,657,774,573	56,987,547,102

14 INVESTMENT PROPERTIES (continued)**(a) Investment properties for lease**

	Land use rights VND	Buildings VND	Total VND
Historical cost			
As at 1 January 2017	27,812,438,744	8,650,204,623	36,462,643,367
Transfer from tangible fixed assets (Note 13(a))	12,350,992,823	-	12,350,992,823
As at 31 December 2017	<u>40,163,431,567</u>	<u>8,650,204,623</u>	<u>48,813,636,190</u>
Accumulated depreciation			
As at 1 January 2017	6,095,034,877	5,140,971,045	11,236,005,922
Charge for the year	962,826,635	359,730,318	1,322,556,953
Transfer from tangible fixed assets (Note 13(a))	-	358,208,399	358,208,399
As at 31 December 2017	<u>7,057,861,512</u>	<u>5,858,909,762</u>	<u>12,916,771,274</u>
Net book value			
As at 1 January 2017	<u>21,717,403,867</u>	<u>3,509,233,578</u>	<u>25,226,637,445</u>
As at 31 December 2017	<u>33,105,570,055</u>	<u>2,791,294,861</u>	<u>35,896,864,916</u>

(b) Investment properties held-for-price appreciation

	Land use rights VND
Historical cost	
As at 1 January 2017 and as at 31 December 2017	<u>34,911,821,575</u>
Accumulated amortisation	
As at 1 January 2017 and as at 31 December 2017	<u>3,150,911,918</u>
Net book value	
As at 1 January 2017 and as at 31 December 2017	<u>31,760,909,657</u>

As at 31 December 2017 and as at 31 December 2016, the fair value of investment properties held-for-price appreciation has not been determined officially. However, the Board of Directors is of the opinion that the fair value of investment properties held-for-price appreciation is higher than the net book value of these properties as at 31 December 2017.

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15 CONSTRUCTION IN PROGRESS

	2017 VND	2016 VND
Opening balance	76,866,965,060	80,875,751,437
New purchases	109,531,291,798	153,865,797,997
Transfers to tangible fixed assets (Note 13(a))	(69,271,509,549)	(157,952,647,974)
Other decreases	(5,621,092,203)	-
	<u>111,505,655,106</u>	<u>76,866,965,060</u>

Details of construction in progress by nature are as follows:

	2017 VND	2016 VND
Construction in progress	110,692,262,407	18,305,712,377
New purchase of fixed assets	551,211,429	24,847,827,912
Repair and maintenance of fixed assets	262,181,270	33,713,424,771
	<u>111,505,655,106</u>	<u>76,866,965,060</u>

Details of material projects are as follows:

	2017 VND	2016 VND
Project to upgrade the warehouse and to invest in the brewery system at Saigon - Nguyen Chi Thanh Beer Factory	56,970,919,540	16,985,510,914
Project to improve beer quality	24,706,900,911	21,106,276,868
Production line of premium beer project at Saigon - Cu Chi Beer Factory	-	5,795,957,288
Meeting and wedding centre at Nha Trang City	-	2,485,484,179
Others	29,827,834,655	30,493,735,811
	<u>111,505,655,106</u>	<u>76,866,965,060</u>

16 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authorities. The offset amounts were as follows:

	2017 VND	2016 VND
Deferred income tax assets:		
Deferred income tax assets to be recovered after 12 months	5,080,932,000	12,644,500,066
Deferred income tax assets to be recovered within 12 months	131,741,483,511	108,660,149,303
	<u>136,822,415,511</u>	<u>121,304,649,369</u>
Deferred income tax liabilities:		
Deferred income tax liabilities to be paid within 12 months	17,217,198,238	13,747,487,771

The movements in the deferred income tax, taking into consideration the offsetting of balances within the same tax jurisdiction, during the year were as follows:

	2017 VND	2016 VND
Deferred income tax assets	121,304,649,369	921,325,127,652
Deferred income tax liabilities	(13,747,487,771)	(15,183,406,087)
Opening balance	107,557,161,598	906,141,721,565
Credited to the income statement (Note 38)	12,048,055,675	(798,584,559,967)
Closing balance	<u>119,605,217,273</u>	<u>107,535,141,598</u>
In which:		
Deferred income tax assets	136,822,415,511	121,304,649,369
Deferred income tax liabilities	(17,217,198,238)	(13,747,487,771)

Deferred income tax mainly arises from the allocation of business advantage, unrealized intra-group profit, provisions and tax losses to be carried forward to offset against future taxable income.

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17 SHORT-TERM TRADE ACCOUNTS PAYABLE

	2017 VND	2016 VND
Third parties		
<i>Sabeco Song Lam Packaging Joint Stock Company</i>	108,900,145,517	137,409,303,068
<i>Asia Packaging Industries (Vietnam) Limited Company</i>	129,259,408,422	71,121,875,267
<i>Hanaka Group Joint Stock Company</i>	78,791,183,694	51,080,263,953
<i>Thai Tan Trade and Transportation Limited Company</i>	58,746,716,645	67,784,461,002
<i>Others</i>	722,924,236,361	681,747,609,619
Related parties (Note 41(b))	921,777,971,845	1,007,018,530,668
	<u>2,020,399,662,484</u>	<u>2,016,162,043,577</u>

As at 31 December 2017, the Group has payables that are past due of VND6,585,825,917 (as at 31 December 2016: VND6,585,825,917), which were overdue before the equitisation.

18 SHORT-TERM ADVANCES FROM CUSTOMERS

	2017 VND	2016 VND
Third parties (*)	87,930,849,616	490,164,100,893
Related parties (Note 41(b))	1,319,999,354	131,551,956
	<u>89,250,848,970</u>	<u>490,295,652,849</u>

(*) Short-term advances from third party customers mainly represent the amount received from customers at ten trading companies of the Group.

19 TAX AND OTHER PAYABLES TO THE STATE BUDGET

	2017 VND	2016 VND (Restated – Note 44)
Special sales tax	662,818,389,348	566,126,076,445
Corporate income tax	404,303,468,506	221,199,924,457
Value added tax	86,312,950,068	156,011,523,718
Personal income tax	53,987,623,398	20,085,738,933
Other taxes	2,334,633,127	7,711,320,370
	<u>1,209,757,064,447</u>	<u>971,134,583,923</u>

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19 TAX AND OTHER PAYABLES TO THE STATE BUDGET (continued)

Movements in tax and other payables to the State Budget during the year were as follows:

	As at 1.1.2017 VND (Restated - Note 44)	Incurred during the year VND	Paid during the year VND	Net-off/other decrease during the year VND	As at 31.12.2017 VND
Payables					
Value added tax	156,011,523,718	12,065,636,883,692	(1,625,829,800,150)	(10,509,505,657,192)	86,312,950,068
Special sales tax	566,126,076,445	6,771,375,254,626	(6,674,682,941,723)	-	662,818,389,348
Personal income tax	20,085,738,933	191,192,264,339	(157,290,379,874)	-	53,987,623,398
Corporate income tax	221,199,924,457	1,140,540,458,945	(294,736,168,316)	(662,700,746,580)	404,303,468,506
Other taxes	7,711,320,370	62,767,740,608	(68,144,427,851)	-	2,334,633,127
	<u>971,134,583,923</u>	<u>20,231,512,602,210</u>	<u>(8,820,683,717,914)</u>	<u>(11,172,206,403,772)</u>	<u>1,209,757,064,447</u>
Receivables					
Value added tax	133,125,768,230	10,488,572,175,522	-	(10,509,505,657,192)	112,192,286,560
Overpaid bussiness income tax	664,808,325,180	-	-	(662,700,746,580)	2,107,578,600
Other taxes	12,848,811,175	170,031,464	-	(12,165,552,461)	853,290,178
	<u>810,782,904,585</u>	<u>10,488,742,206,986</u>	<u>-</u>	<u>(11,184,371,956,233)</u>	<u>115,153,155,338</u>

20 SHORT-TERM ACCRUED EXPENSES

	2017 VND	2016 VND
Advertising and promotion expenses	133,081,509,942	109,609,773,944
Transportation and loading costs	4,760,673,355	5,203,280,049
Purchase of fixed assets and construction in progress	7,992,180,846	6,150,864,833
Interest expenses	13,850,566,994	16,163,351,404
Purchase of raw materials	2,606,664,505	5,735,836,630
Damaged bottles and packaging	8,024,138,266	-
Warehouse rental expenses	799,744,000	903,935,413
Maintenance expenses	386,421,818	-
Others	25,024,053,522	82,810,795,110
	<u>196,525,953,248</u>	<u>226,577,837,383</u>

21 OTHER PAYABLES**(a) Other short-term payables**

	2017 VND	2016 VND (Restated - Note 40)
Dividend payable to shareholders of the Company (Note 27) (*)	1,443,498,507,825	207,879,301,875
Estimated land use rights payable to the State in connection with equitisation (**)	735,379,872,700	735,379,872,700
Deposits	187,756,893,824	242,200,647,385
Payables to Enterprise Restructure and Development Assistance Fund (***)	109,965,627,840	-
Dividend payable to the non-controlling interest shareholders	77,890,155,840	14,090,898,196
Social contribution fund	22,340,343,864	29,748,274,634
Payables to related parties (Note 41(b))	862,315,747	823,032,879
Advance from liquidation process of Saigon Securities Investment Fund A2 (****)	15,350,000,000	15,350,000,000
Others	37,136,966,411	24,931,773,453
	<u>2,630,180,684,051</u>	<u>1,270,403,801,122</u>

(*) As at 31 December 2017 and 31 December 2016, dividend payable included the amount payable to a related party as presented in Note 41(b).

(**) Estimated land use rights payable to the State in connection with equitisation was determined in March 2010 by the Equitisation Finalisation Committee consisting of representatives of the Ministry of Industry and Trade and the Ministry of Finance in accordance with the Equitisation Finalisation Minutes dated 6 March 2010 (Note 13(b)).

(***) As at 30 January 2018, the Company settled the amount to the Enterprise Restructure and Development Assistance Fund.

(****) Saigon Securities Investment Fund A2 (SFA2) is in liquidation process. In accordance with Resolution of General Shareholders Meeting 2011 dated 16 December 2011 of SFA2 and the meeting minute of the Board of Trustees of SFA2 No. 01/2012/SFA2-BDDQ dated 19 April 2012, SFA2 transferred VND15,350,000,000 from disposal of assets of this fund to the Company. Amount transferred from disposal of assets of this fund will be finalised and deducted to cost of investment upon completion of liquidation process. As at 31 December 2017, SFA2 has not yet completed its liquidation process.

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21 OTHER PAYABLES (continued)

(b) Long-term other payables

	2017 VND	2016 VND
Deposits from customers	2,030,200,000	1,174,000,000
Land rental payables to the State	51,602,316,000	51,602,316,000
	<u>53,632,516,000</u>	<u>52,776,316,000</u>

22 BORROWINGS

(a) Short-term borrowings

	2017 VND	2016 VND
Borrowings from banks	720,042,938,660	1,030,103,966,113
Current portion of long-term borrowings (Note 22(b))	2,861,043,120	12,205,701,757
	<u>722,903,981,780</u>	<u>1,042,309,667,870</u>

	During the year				As at 31.12.2017 VND
	As at 1.1.2017 VND	Increasing VND	Current portion of long-term borrowings VND	Decreasing VND	
Borrowings from banks (*)	1,030,103,966,113	3,541,517,218,824	-	(3,851,578,246,277)	720,042,938,660
Current portion of long-term borrowings	12,205,701,757	-	2,861,043,120	(12,205,701,757)	2,861,043,120
	<u>1,042,309,667,870</u>	<u>3,541,517,218,824</u>	<u>2,861,043,120</u>	<u>(3,863,783,948,034)</u>	<u>722,903,981,780</u>

(*) Details of short-term borrowings from banks are presented as follows:

	2017 VND	2016 VND
Vietnam Joint Stock Commercial Bank for Industry and Trade	617,513,612,650	575,471,744,046
Vietnam International Commercial Joint Stock Bank	17,861,043,120	253,978,739,460
Military Commercial Joint Stock Bank	-	23,900,000,000
Joint Stock Commercial Bank for Foreign Trade of Vietnam	59,668,282,890	140,695,605,119
Vietnam Export - Import Commercial Joint Stock Bank	-	36,057,877,488
Vietnam Maritime Commercial Joint Stock Bank	25,000,000,000	-
	<u>720,042,938,660</u>	<u>1,030,103,966,113</u>

22 BOROWINGS (continued)**(a) Short-term borrowings (continued)**

Short-term borrowings at banks are in VND with a maturity of less than one year bearing an interest rate ranging from 4.1% to 5.2% per annum. These borrowings are guaranteed by term deposits contracts at banks, inventories, trade accounts receivable and tangible fixed assets.

(b) Long-term borrowings

	2017 VND	2016 VND
Borrowings from banks	4,802,672,954	176,617,987,315
Current portion of long-term borrowings (Note 22(a))	(2,861,043,120)	(12,205,701,757)
	<u>1,941,629,834</u>	<u>164,412,285,558</u>

Movements of long-term borrowings from banks during the year are as follows:

	As at 1.1.2017 VND	During the year		As at 31.12.2017 VND
		Increase VND	Decrease VND	
Borrowings from banks (*)	<u>164,412,285,558</u>	<u>(2,861,043,120)</u>	<u>(159,609,612,604)</u>	<u>1,941,629,834</u>

(*) Details of long-term borrowings at banks are presented as follows:

	2017 VND	2016 VND
Vietnam International Commercial Joint Stock Bank	4,802,672,954	112,025,142,404
Vietnam Joint Stock Commercial Bank for Industry and Trade	-	61,210,000,000
Lien Viet Post Commercial Joint Stock Bank	-	3,382,844,911
	<u>4,802,672,954</u>	<u>176,617,987,315</u>

23 BONUS AND WELFARE FUNDS

	2017 VND	2016 VND
Opening balance	330,524,839,871	299,092,046,550
Appropriation from undistributed earnings (Note 25)	317,017,513,338	323,201,222,599
Adjustment of appropriation following approval of shareholders at the Annual General Meeting (Note 25)	76,784,024,196	12,439,543,832
Utilised during the year	(427,583,646,445)	(304,207,973,110)
Closing balance	<u>296,742,730,960</u>	<u>330,524,839,871</u>

24 OWNERS' CAPITAL**(a) Number of shares**

On 17 April 2008, the Company was equitised and issued 641,281,186 ordinary shares at par value of VND10,000. The State sold 66,762,052 shares to the public on that date. All shares have the same rights whether in regard to voting, dividends, return of capital and otherwise.

	2017	2016
	Ordinary shares	Ordinary shares
Number of shares registered	641,281,186	641,281,186
Number of shares issued	641,281,186	641,281,186
Number of existing shares in circulation	641,281,186	641,281,186

(b) Details of owners' shareholding

The structure of the Company's shareholders was as follows:

	2017		2016	
	Ordinary shares	%	Ordinary shares	%
The Ministry of Industry and Trade (*)	230,876,547	36	574,519,134	89.59
Vietnam Beverage Company Limited (*)	343,642,587	53.59	-	-
Other shareholders	66,762,052	10.41	66,762,052	10.41
	<u>641,281,186</u>	<u>100</u>	<u>641,281,186</u>	<u>100</u>

- (*) According to Decision No. 1034/QĐ-BCT dated 9 November 2017 of the Ministry of Industry and Trade, during the year 2017, the Ministry of Industry and Trade divested the ownership at the Company. On 27 December 2017, the investor settled the amount of VND109,965,627,840,000 to obtain the ownership of 343,642,587 shares, equivalent to 53.59% of share capital of the Company.

On 29 December 2017, Vietnam Beverage Company Limited, a company established in Vietnam, with the ownership of 343,642,587 shares equivalent to 53.59% of share capital of the Company, officially became the largest shareholder of the Company; and the Ministry of Industry and Trade now only owns 36.0024% of share capital of the Company.

(c) Movement of share capital

	Number of share capital
At 1 January 2016	641,281,186
New shares issued	-
At 31 December 2016	641,281,186
New shares issued	-
At 31 December 2017	<u>641,281,186</u>

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25 MOVEMENTS IN OWNERS' EQUITY

	Owners' capital VND	Owners' other capital VND	Treasury shares VND	Foreign exchange differences VND	Investment and development fund VND	Other funds VND	Undistributed earnings VND (Restated – Note 44)	Total equity attributable to owners of the Company VND	Non- controlling interests VND	Total VND
As at 1 January 2016 (Restated – Note 44)	6,412,811,860,000	3,208,666,226	(25,550,000,000)	14,239,683,180	1,100,003,125,251	6,108,534,627	3,583,247,906,218	11,094,069,775,502	995,617,570,458	12,089,687,345,960
Profit for the year (Restated – Note 44)	-	-	-	-	-	-	4,338,773,356,882	4,338,773,356,882	178,570,083,758	4,517,343,440,640
Appropriation to funds Sales of treasury shares	-	-	2,100,000,000	-	18,278,639,620	1,000,000,000	(19,278,639,620)	2,100,000,000	-	2,100,000,000
Foreign currency differences	-	-	-	2,766,916,899	-	-	(3,846,349,230,840)	2,766,916,899	(97,479,390,440)	(3,943,828,621,280)
Dividends paid (Note 27) Appropriation to bonus and welfare fund	-	-	-	-	-	-	(297,100,139,757)	(297,100,139,757)	(26,101,082,842)	(323,201,222,599)
Adjustments of bonus and welfare fund (Note 23)	-	-	-	-	-	-	(10,616,440,498)	(10,616,440,498)	(1,823,103,334)	(12,439,543,832)
Appropriation to social contribution fund	-	-	-	-	-	-	(31,736,999,999)	(31,736,999,999)	(30,774,072)	(31,767,774,071)
Adjustments of social contribution fund	-	-	-	-	-	-	(2,262,000,000)	(2,262,000,000)	-	(2,262,000,000)
Other decreases	-	-	-	-	-	(1,067,797,588)	(1,035,282,458)	(2,103,080,046)	-	(2,103,080,046)
Changes in proportion of non-controlling interests	-	-	-	-	116,530,439	-	84,211,209	200,741,648	(598,831,647)	(398,089,999)
As at 31 December 2016 (Restated – Note 44)	6,412,811,860,000	3,208,666,226	(23,450,000,000)	17,006,600,079	1,118,398,295,310	6,040,737,039	3,713,726,741,137	11,247,742,899,791	1,048,154,471,881	12,295,897,371,672
Profit for the year	-	-	-	-	-	-	4,711,485,204,581	4,711,485,204,581	237,114,047,283	4,948,599,251,864
Appropriation to funds Sales of treasury shares	-	-	-	-	565,187,330	687,800,000	(1,252,987,330)	-	-	-
Foreign currency differences	-	-	23,450,000,000	-	-	-	-	23,450,000,000	-	23,450,000,000
Dividends paid (Note 27) Appropriation to bonus and welfare fund	-	-	-	2,107,171,896	-	-	-	2,107,171,896	(239,876,818,585)	(2,107,171,896)
Adjustments of bonus and welfare fund (Note 23)	-	-	-	-	-	-	(2,244,484,151,000)	(2,244,484,151,000)	(39,255,789,729)	(317,017,513,338)
Appropriation to social contribution fund	-	-	-	-	-	-	(72,078,210,228)	(72,078,210,228)	(4,705,813,968)	(76,784,024,196)
Adjustments of social contribution fund	-	-	-	-	-	-	(47,311,058,568)	(47,311,058,568)	-	(47,311,058,568)
Other (decrease)/increase	-	-	-	-	-	-	(10,892,000,000)	(10,892,000,000)	-	(10,892,000,000)
Changes in proportion of non-controlling interests	-	-	-	-	-	(1,401,424,375)	52,472,083,591	51,070,659,216	34,987,070,710	86,057,729,926
As at 31 December 2017	6,412,811,860,000	3,208,666,226	-	19,113,771,975	1,118,963,482,640	5,327,112,664	5,823,903,898,574	13,383,328,792,079	1,037,160,242,869	14,420,489,034,948

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26 NON-CONTROLLING INTERESTS

	2017 VND	2016 VND
Owners' capital	607,132,123,276	607,313,627,176
Share premium	5,350,004,931	5,350,004,931
Owners' other capital	2,948,820,296	2,948,820,296
Treasury shares	(506,764,236)	(497,854,236)
Investment and development funds	204,887,168,483	204,512,652,374
Other funds	7,734,726,350	5,077,271,969
Undistributed earnings	209,614,163,769	223,449,949,372
	<u>1,037,160,242,869</u>	<u>1,048,154,471,881</u>

27 DIVIDENDS

	2017 VND	2016 VND
Opening balance	207,879,301,875	10,297,038,425
Dividend payable during the year (Note 25)	2,244,484,151,000	3,846,349,230,840
Payment in cash	(1,008,864,945,050)	(3,648,766,967,390)
	<u>1,443,498,507,825</u>	<u>207,879,301,875</u>

28 OFF BALANCE SHEET ITEMS

(a) Foreign currencies

	2017	2016
Foreign currencies:		
USD	2,757,372	762,958
Euro	12,397	65,014
	<u>2,770,000</u>	<u>827,972</u>

(b) Operating lease assets

The future minimum lease payments under non-cancellable operating leases were VND1,114,768,207,340 and VND1,368,122,525,081 for the years ended 31 December 2017 and 31 December 2016, respectively (Note 42(a)).

29 BASIC EARNINGS PER SHARE**(a) Earning per share**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders after deducting the amount appropriated to bonus and welfare fund by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares:

	2017	2016 (Restated – Note 44)
Net profit attributable to shareholders (VND)	4,711,485,204,581	4,338,773,356,882
Amount appropriated to bonus and welfare fund (VND) (*)	(277,761,723,609)	(369,178,349,985)
	<u>4,433,723,480,972</u>	<u>3,969,595,006,897</u>
Weighted average number of ordinary shares in issue (shares)	641,164,932	640,916,186
Basic earnings per share (VND)	<u>6,915</u>	<u>6,194</u>

(*) Amount appropriated to bonus and welfare fund estimated for the year ended 31 December 2017 is based on the budgeted amount appropriated from undistributed earnings planned for year 2017 which was approved in the Resolution of Annual General Meeting of the Group.

Amount appropriated to bonus and welfare fund for the year ended 31 December 2016 is adjusted based on the actual appropriation from undistributed earnings of previous years which was approved in the above Resolution. Accordingly, basic earnings per share for the year ended 31 December 2016 have been recalculated based on the adjusted amount appropriated to bonus and welfare fund (as previously reported: VND6,442/share).

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing the net profit attributable to shareholders, which already subtracted the bonus and welfare fund, by the weighted average number of ordinary shares outstanding during the year and the ordinary shares expected to be issued.

The Company has no diluted earnings per share during the year and on the reporting date. Therefore, the diluted earnings per share is equal to the basic earnings per share.

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30 SALES

	2017 VND	2016 VND (Restated – Note 44)
Gross sales		
Sales of beer	29,838,464,041,901	26,333,316,845,272
Raw materials	4,058,768,492,587	3,635,340,700,918
Sales of beverages	356,907,769,842	450,140,918,836
Sales of alcohol and wine	88,467,592,781	69,968,351,663
Others	95,563,151,481	113,679,499,867
	<u>34,438,171,048,592</u>	<u>30,602,446,316,556</u>
Sale deduction		
Trade discounts	(244,231,824,563)	(134,615,130,113)
Sales returns	(548,669,790)	(1,137,449,600)
	<u>(244,780,494,353)</u>	<u>(135,752,579,713)</u>
Net sales	<u>34,193,390,554,239</u>	<u>30,466,693,736,843</u>

31 COST OF SALES

	2017 VND	2016 VND
Beer	21,180,245,329,075	18,468,615,975,505
Raw materials	3,801,459,739,918	3,467,732,511,424
Beverages	257,893,112,663	293,472,023,753
Alcohol and wine	87,810,235,302	67,592,108,571
Others	464,072,704	2,241,990,402
	<u>25,327,872,489,662</u>	<u>22,299,654,609,655</u>

32 FINANCIAL INCOME

	2017 VND	2016 VND
Interest income from deposits at banks, lending	453,751,364,352	469,858,298,854
Gain from divestments	22,725,562,057	215,654,467,486
Dividend income	28,363,184,875	55,393,932,322
Realised foreign exchange gains	1,233,543,639	5,244,111,551
Others	33,975,631	4,890,259,776
	<u>506,107,630,554</u>	<u>751,041,069,989</u>

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33 FINANCIAL EXPENSES

	2017 VND	2016 VND
Interest expenses	42,111,534,689	82,182,081,908
Realised foreign exchange losses	2,869,281,870	1,409,348,052
Reversal of provision for diminution in value of investments	(74,325,545,861)	(15,274,107,480)
Net loss from foreign currency translation at year-end	105,642,811	1,405,639
Others	3,433,411,813	345,472,666
	<u>(25,805,674,678)</u>	<u>68,664,200,785</u>

34 SELLING EXPENSES

	2017 VND	2016 VND
Advertising and promotion costs	1,221,293,670,173	1,299,656,777,159
Staff costs	675,630,943,373	585,136,328,177
Material costs	322,630,442,134	314,743,401,156
Rental expenses	127,579,848,648	149,388,381,079
Depreciation and amortisation expenses	23,318,760,712	24,623,933,631
Transportation expenses	127,175,923,147	114,414,212,333
Other expenses	313,482,286,313	183,943,317,236
	<u>2,811,111,874,500</u>	<u>2,671,906,350,771</u>

35 GENERAL AND ADMINISTRATION EXPENSES

	2017 VND	2016 VND (Restated – Note 44)
Staff costs	415,949,482,135	355,127,609,643
Depreciation and amortisation expenses	40,776,445,925	32,059,090,031
Rental expenses	43,476,539,135	37,672,386,587
Material costs	12,990,107,606	12,349,220,976
Others	422,782,222,735	343,702,719,495
	<u>935,974,797,536</u>	<u>780,911,026,732</u>

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36 OTHER INCOME AND OTHER EXPENSES

	2017 VND	2016 VND
Other income		
Scrap sales and compensations for broken bottles	79,231,349,400	68,391,050,691
Gain from fixed assets disposals	3,948,840,535	20,635,059,577
Goodwill	-	26,754,870,177
Others	22,959,273,282	22,833,349,499
	<u>106,139,463,217</u>	<u>138,614,329,944</u>
Other expenses		
Cost of scrap sales and compensations for broken bottles	(53,028,914,505)	(82,675,001,544)
Others	(38,237,525,742)	(30,844,218,506)
	<u>(91,266,440,247)</u>	<u>(113,519,220,050)</u>
Net other income	<u>14,873,022,970</u>	<u>25,095,109,894</u>

37 COST OF GOODS MANUFACTURED BY FACTOR

	2017 VND	2016 VND (Restated – Note 44)
Raw materials	5,248,509,369,102	5,395,301,012,939
Labor cost	1,571,080,669,900	1,390,903,406,074
Depreciation and amortisation expenses	625,353,451,649	632,464,161,880
Outside service expenses	2,543,568,917,242	2,331,825,527,941
Others	500,989,752,000	363,504,938,887
	<u>10,489,502,159,893</u>	<u>10,113,999,047,721</u>

Cost of goods manufactured by factor represents the cost of manufacturing activities of the Group.

38 BUSINESS INCOME TAX

The business income tax ("BIT") rates applicable to the Company and its subsidiaries within the Group are 20%.

The subsidiaries are entitled to BIT incentives, exemption and reduction based on the terms mentioned in Enterprise registration certificates, investment certificates and current BIT regulations.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the current tax rate.

	2017 VND	2016 VND (Restated – Note 44)
Net accounting profit before tax	6,077,091,655,134	5,727,343,407,406
Tax calculated at a rate of 20%	1,215,418,331,027	1,145,468,681,481
Effect of:		
Different tax rates applicable for the Company and subsidiaries within the Group	(16,414,547,642)	5,916,222,092
Income not subject to tax	(73,470,690,139)	(81,739,526,356)
Expenses not deductible for tax purposes	13,704,739,068	161,864,905,762
Impact of tax incentives	(14,137,538,269)	(23,543,784,256)
Utilisation of tax losses carried forward	-	(481,010,731)
Under-provision in previous years	2,925,904,804	960,284,243
Others	466,204,421	1,554,194,531
Business income tax charge (*)	<u>1,128,492,403,270</u>	<u>1,209,999,966,766</u>
(Credited)/charged to consolidated income statement:		
Business income tax – current	1,140,540,458,945	411,415,406,799
Business income tax – deferred (Note 16)	(12,048,055,675)	798,584,559,967
	<u>1,128,492,403,270</u>	<u>1,209,999,966,766</u>

(*) The business income tax charge for the year is based on estimated taxable income and is subject to review and possible adjustments by the tax authorities.

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39 SEGMENT REPORTING

(a) Business activity segments

	2017			2016				
	Sales of finished goods VND	Sales of merchandises and raw materials VND	Others VND	Total VND	Sales of finished goods VND	Sales of merchandises and raw materials VND	Others VND	Total VND
Net revenue	30,043,508,607,902	4,058,768,492,587	91,113,453,750	34,193,390,554,239	26,717,673,536,058	3,635,340,700,918	113,679,499,867	30,466,693,736,843
Cost of sales	(21,525,948,677,040)	(3,801,459,739,918)	(464,072,704)	(25,327,872,489,662)	(18,829,680,107,829)	(3,467,732,511,424)	(2,241,990,402)	(22,299,654,609,655)
	<u>8,517,559,930,862</u>	<u>257,308,752,669</u>	<u>90,649,381,046</u>	<u>8,865,518,064,577</u>	<u>7,887,993,428,229</u>	<u>167,608,189,494</u>	<u>111,437,509,465</u>	<u>8,167,039,127,188</u>

39 SEGMENT REPORTING (continued)**(b) Geographical segments**

	2017		
	Domestic VND	Export VND	Total VND
Net revenue	33,634,836,924,083	558,553,630,156	34,193,390,554,239
Cost of sales	(24,846,676,327,152)	(481,196,162,511)	(25,327,872,489,662)
	<u>8,788,160,596,932</u>	<u>77,357,467,645</u>	<u>8,865,518,064,577</u>
	2016		
	Domestic VND	Export VND	Total VND
Net revenue	30,207,363,153,015	259,330,583,828	30,466,693,736,843
Cost of sales	(22,083,206,206,432)	(216,448,403,223)	(22,299,654,609,655)
	<u>8,124,156,946,583</u>	<u>42,882,180,605</u>	<u>8,167,039,127,188</u>

The main export markets of the Group are countries in West Africa, Europe and Asia.

40 ADDITIONAL INFORMATION FOR THE ITEMS OF THE CONSOLIDATED STATEMENT OF CASH FLOWS**(a) Non-cash transactions affecting the consolidated statement of cash flows**

	2017 VND	2016 VND
Purchase fixed assets and other long-term assets but not yet paid	<u>72,791,861,507</u>	<u>115,994,615,607</u>

(b) Amount of loan withdrawn during the year

	2017 VND	2016 VND
Proceeds from borrowings following normal borrowing contracts	<u>3,541,517,218,824</u>	<u>3,880,680,269,651</u>

(c) Amount of loan principle repaid during the year

	2017 VND	2016 VND
Repayments for borrowings following normal borrowing contracts	<u>4,023,393,560,638</u>	<u>4,336,074,219,633</u>

40 ADDITIONAL INFORMATION FOR THE ITEMS OF THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(d) Money held by the Company but restricted to use

	2017 VND	2016 VND
Cash held on behalf of the Ministry of Industry and Trade to settle costs relating to the divestment of the Ministry of Industry and Trade (Note 3)	115,117,546,210	-

(e) Cash received from share transfer collected on behalf of the Ministry of Industry and Trade

	2017 VND	2016 VND
Cash received from share transfer from Vietnam Beverage Company Limited	109,965,627,840,000	-
Cash received from share transfer from other investor	640,000,000	-

(f) Payment received from share transfer collected on behalf of the Ministry of Industry and Trade

	2017 VND	2016 VND
Cash transferred to the Enterprise Restructure and Development Assistance Fund relating to the share transfer	109,851,150,293,790	-

41 RELATED PARTY DISCLOSURES

Before 29 December 2017, the Company was controlled by the Ministry of Industry and Trade, which owns more than 89% of the voting shares of the Company. Since 29 December 2017, the Company has been controlled by Vietnam Beverage Company Limited which owns 53.59% voting shares of the Company. The ultimate parent company is Thai Beverage Public Company Limited, a company established in Thailand.

(a) Related party transactions

During the year, the following transactions were carried out with related parties:

	2017 VND	2016 VND
<i>i) Sales of raw materials</i>		
<i>Associates</i>		
Saigon - Phu Ly Beer Joint Stock Company	371,340,153,370	378,279,534,950
Saigon - Phu Tho Beer Joint Stock Company	352,585,150,375	140,229,677,833
Saigon - Tay Do Beer - Beverage Joint Stock Company	297,944,729,394	285,023,319,714
Malaya Vietnam Glass Limited Company	107,079,000	-
San Miguel Phu Tho Packaging Company Limited	1,287,936,000	298,144,919,288
Saigon - Binh Tay Beer Joint Stock Company	612,064,805,592	661,577,735,653
Saigon - Mien Trung Beer Joint Stock Company	410,463,186,342	111,863,060,890
Saigon - Bac Lieu Beer Joint Stock Company	101,472,242,985	107,968,370,275
Saigon - Ninh Thuan Beer Joint Stock Company	401,579,818,523	417,305,672,478
Saigon - Vinh Long Beer Joint Stock Company	270,582,272,060	265,027,999,771
Saigon - Kien Giang Beer Joint Stock Company	393,321,044,804	155,416,871,305
Saigon - Khanh Hoa Beer Joint Stock Company	408,627,837,332	-
<i>Other related party</i>		
Saigon Beer Packaging Joint Stock Company	4,168,790	-
	<u>3,621,380,424,567</u>	<u>2,680,859,321,671</u>
<i>ii) Other revenue</i>		
<i>Associates</i>		
Saigon - Mien Trung Beer Joint Stock Company	17,167,999	-
Saigon - Kien Giang Beer Joint Stock Company	15,000,000	-
<i>Other related party</i>		
Saigon Beer Transportation Joint Stock Company	-	100,617,176
	<u>32,167,999</u>	<u>100,617,176</u>
<i>iii) Sales of alcohol</i>		
<i>Associates</i>		
Saigon - Binh Tay Beer Joint Stock Company	13,081,553,660	-

41 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2017 VND	2016 VND
iv) Other income		
<i>Associates</i>		
Saigon - Phu Ly Beer Joint Stock Company	147,112,500	-
Saigon - Phu Tho Beer Joint Stock Company	203,825,000	-
Saigon - Tay Do Beer - Beverage Joint Stock Company	864,512,510	-
Saigon - Binh Tay Beer Joint Stock Company	2,388,979,176	-
Saigon - Mien Trung Beer Joint Stock Company	2,632,422,269	-
Saigon - Bac Lieu Beer Joint Stock Company	3,468,279,757	-
Saigon - Vinh Long Beer Joint Stock Company	4,656,215,908	1,600,858,098
Saigon - Kien Giang Beer Joint Stock Company	1,622,951,580	-
Saigon - Khanh Hoa Beer Joint Stock Company	200,000,000	-
	<u>16,184,298,700</u>	<u>1,600,858,098</u>
v) Dividend income		
<i>Associates</i>		
Saigon - Phu Ly Beer Joint Stock Company	12,230,750,000	4,892,300,000
Saigon - Phu Tho Beer Joint Stock Company	10,579,500,000	10,579,500,000
Công ty Cổ Phần Cơ khí và Xây lắp Công nghiệp	1,591,200,000	-
Saigon - Tay Do Beer - Beverage Joint Stock Company	6,983,307,000	6,692,500,000
Me Linh Centre Company Limited	26,431,342,966	-
Crown Saigon Limited	146,158,925,378	64,947,951,667
San Miguel Phu Tho Packaging Company Limited	7,962,500,000	3,893,750,000
Saigon - Binh Tay Beer Joint Stock Company	31,831,553,660	12,540,300,000
Saigon - Mien Trung Beer Joint Stock Company	24,043,407,500	15,487,500,800
Saigon - Bac Lieu Beer Joint Stock Company	8,408,400,000	5,005,000,000
Saigon - Ninh Thuan Beer Joint Stock Company	4,950,000,000	1,980,000,000
Saigon - Vinh Long Beer Joint Stock Company	7,500,000,000	3,000,000,000
Saigon - Kien Giang Beer Joint Stock Company	4,300,000,000	5,000,000,000
<i>Other related party</i>		
Saigon Beer Transportation Joint Stock Company	7,000,000,000	8,000,000,000
	<u>299,970,886,504</u>	<u>142,018,802,467</u>

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41 RELATED PARTY DISCLOSURES (continued)

(a) Related party transactions (continued)

	2017 VND	2016 VND
vi) Purchases of merchandises and raw materials		
<i>Associates</i>		
Saigon - Phu Ly Beer Joint Stock Company	981,122,936,950	949,900,735,220
Saigon - Phu Tho Beer Joint Stock Company	942,437,850,200	786,467,044,879
Saigon - Tay Do Beer - Beverage Joint Stock Company	888,092,819,660	878,149,676,756
Crown Saigon Limited	1,759,433,695,486	1,412,992,733,830
Malaya Vietnam Glass Limited Company	198,239,602,180	180,906,456,360
San Miguel Phu Tho Packaging Company Limited	160,605,672,400	162,247,328,000
Saigon - Binh Tay Beer Joint Stock Company	2,157,066,418,550	2,275,264,260,690
Saigon - Mien Trung Beer Joint Stock Company	1,498,068,655,780	636,327,969,388
Saigon - Bac Lieu Beer Joint Stock Company	586,428,120,500	624,941,031,340
Saigon - Ninh Thuan Beer Joint Stock Company	1,071,582,114,019	1,065,835,361,517
Saigon - Vinh Long Beer Joint Stock Company	1,099,241,068,520	1,004,725,847,050
Saigon - Kien Giang Beer Joint Stock Company	1,345,905,441,695	732,924,109,440
Saigon - Khanh Hoa Beer Joint Stock Company	1,064,942,558,317	-
	<u>13,753,166,954,257</u>	<u>10,710,682,554,470</u>
vii) Purchase of transportation services		
<i>Other related party</i>		
Saigon Beer Transportation Joint Stock Company	1,775,280,631,715	1,666,176,445,857
	<u>1,775,280,631,715</u>	<u>1,666,176,445,857</u>
viii) Historical cost of tangible assets, investment properties that are leased by associates		
Saigon - Bac Lieu Beer Joint Stock Company	63,606,926,486	63,606,926,486
Saigon - Vinh Long Beer Joint Stock Company	61,026,543,585	61,026,543,585
	<u>124,633,470,071</u>	<u>124,633,470,071</u>
ix) Investments in cash		
<i>Associates</i>		
Saigon - Ben Tre Beer Joint Stock Company	20,000,000,000	-
Saigon - Lam Dong Beer Joint Stock Company	20,000,000,000	-
Saigon - Kien Giang Beer Joint Stock Company	-	3,000,000,000
	<u>40,000,000,000</u>	<u>3,000,000,000</u>
x) Compensation of key management		
Gross salaries and other benefits	16,441,814,751	10,811,235,903
	<u>16,441,814,751</u>	<u>10,811,235,903</u>

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41 RELATED PARTY DISCLOSURES (continued)

(b) Year end balances with related parties

	2017 VND	2016 VND
Short-term trade accounts receivable (Note 5)		
<i>Associates</i>		
Truong Sa Food Joint Stock Company	2,319,240,000	-
Saigon - Phu Ly Beer Joint Stock Company	13,417,740,094	41,023,814,802
Saigon - Phu Tho Beer Joint Stock Company	5,648,817,406	36,840,775,892
Saigon - Tay Do Beer - Beverage Joint Stock Company	3,831,030,858	119,517,097,392
Malaya Vietnam Glass Limited Company	108,220,200	-
San Miguel Phu Tho Packaging Company Limited	185,116,800	107,008,000
Vietnam Spirits and Wine Company Limited	-	1,855,700,000
Saigon - Binh Tay Beer Trading Joint Stock Company	7,915,048,569	59,678,523,859
Saigon - Mien Trung Beer Trading Joint Stock Company	3,933,250,925	12,733,083,100
Saigon - Bac Lieu Beer Trading Joint Stock Company	617,388,182	7,283,525,880
Saigon - Ninh Thuan Beer Trading Joint Stock Company	2,589,344,877	33,177,905,304
Saigon - Vinh Long Beer Trading Joint Stock Company	4,450,827,166	36,297,384,678
Saigon - Kien Giang Beer Trading Joint Stock Company	12,046,298,380	28,820,242,068
Saigon - Khanh Hoa Beer Trading Joint Stock Company	3,653,742,102	28,347,828,030
<i>Other related party</i>		
Saigon Beer Transportation Joint Stock Company	17,949,417	-
	<u>60,734,014,976</u>	<u>405,682,889,005</u>
Short-term prepayments to suppliers (Note 6)		
<i>Related party</i>		
Saigon Beer Transportation Joint Stock Company	1,659,200	1,659,200
	<u>1,659,200</u>	<u>1,659,200</u>
Other short-term receivables (Note 7(a))		
<i>i) Receivables from land use right capital contribution from a related party</i>		
<i>Associates</i>		
Tan Thanh Investment Trading Joint Stock Company	277,230,733,543	277,230,733,543
	<u>277,230,733,543</u>	<u>277,230,733,543</u>
<i>ii) Dividend receivables</i>		
<i>Associates</i>		
Saigon - Bac Lieu Beer Joint Stock Company	3,025,172,453	-
Saigon - Vinh Long Beer Joint Stock Company	734,911,676	325,000,000
<i>Other related party</i>		
Saigon Beer Transportation Joint Stock Company	8,289,369	162,062,575
	<u>3,768,373,498</u>	<u>487,062,575</u>

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41 RELATED PARTY DISCLOSURES (continued)

(b) Year end balances with related parties (continued)

	2017 VND	2016 VND
Other short-term receivables (Note 7(a)) (continued)		
<i>iii) Other short-term receivables</i>		
<i>Associates</i>		
Saigon - Vinh Long Beer Joint Stock Company	691,210,488	10,675,771,029
Saigon - Khanh Hoa Beer Joint Stock Company	89,868,378	83,916,000
Saigon - Vinh Long Beer Joint Stock Company	-	930,696,260
Saigon - Tay Do Beer Beverage Joint Stock Company	-	496,718,521
Saigon - Mien Trung Beer Joint Stock Company	-	1,114,686,039
<i>Other related party</i>		
Saigon Beer Transportation Joint Stock Company	-	348,526,333
	<u>781,078,866</u>	<u>13,632,314,182</u>
Short-term trade account payables (Note 17)		
<i>Associates</i>		
Sabeco Food Joint Stock Company	664,446,000	769,765,500
Saigon - Phu Ly Beer Joint Stock Company	19,571,068,000	45,929,503,334
Saigon - Phu Tho Beer Joint Stock Company	24,891,438,000	16,276,994,800
Saigon - Tay Do Beer - Beverage Joint Stock Company	26,368,874,356	109,676,927,840
Crown Saigon Company Limited	262,095,508,855	236,759,057,331
Malaya Vietnam Glass Limited Company	40,077,461,556	23,422,863,420
San Miguel Phu Tho Packaging Company Limited	21,639,640,000	15,290,440,000
Saigon - Binh Tay Beer Joint Stock Company	56,286,113,565	134,379,078,637
Saigon - Mien Trung Beer Joint Stock Company	32,647,521,270	36,631,119,635
Saigon - Bac Lieu Beer Joint Stock Company	18,116,463,860	10,899,273,770
Saigon - Ninh Thuan Beer Joint Stock Company	29,045,628,311	19,889,645,500
Saigon - Vinh Long Beer Joint Stock Company	8,908,347,338	10,055,674,640
Saigon - Kien Giang Beer Joint Stock Company	31,049,297,290	25,921,757,290
Saigon - Khanh Hoa Beer Joint Stock Company	10,606,197,800	22,027,600,100
<i>Related party</i>		
Saigon Beer Transportation Joint Stock Company	339,809,965,644	299,088,828,871
	<u>921,777,971,845</u>	<u>1,007,018,530,668</u>
Shor-term advances from customers		
<i>Associates</i>		
Saigon - Mien Trung Beer Joint Stock Company	633,089,405	73,831,956
Saigon - Bac Lieu Beer Joint Stock Company	686,909,949	-
Saigon - Vinh Long Beer Joint Stock Company	-	57,720,000
	<u>1,319,999,354</u>	<u>131,551,956</u>
Other short-term payables (Note 21(a))		
<i>i) Dividend payables</i>		
<i>Parent company</i>		
Vietnam Beverage Company Limited	1,202,749,054,500	-

41 RELATED PARTY DISCLOSURES (continued)

(b) Year end balances with related parties (continued)

	2017 VND	2016 VND
Other short-term payables (Note 21(a)) (continued)		
<i>ii) Other payables</i>		
<i>Associates</i>		
Thanh Nam Consulting and Transferring Technology Joint Stock Company	340,000,000	340,000,000
Me Linh Center Company Limited	39,282,868	-
Saigon - Binh Tay Beer Joint Stock Company	287,780,949	287,780,949
<i>Other related party</i>		
Saigon Beer Transportation Joint Stock Company	195,251,930	195,251,930
	<u>862,315,747</u>	<u>823,032,879</u>

42 COMMITMENTS

(a) Commiments under operating leases

The future minimum lease payments under non-cancellable operating leases are as follows:

	Office and land lease	
	2017 VND	2016 VND
Within one year	166,960,962,117	209,349,783,071
Between one and five years	424,934,364,668	540,541,563,562
Over five years	522,872,880,555	618,231,178,448
	<u>1,114,768,207,340</u>	<u>1,368,122,525,081</u>

(b) Capital commitments

Capital expenditure contracted for at the consolidated balance sheet date but not recognised in the consolidated financial statements is as follows:

	2017 VND	2016 VND
Property, plant and equipment	<u>41,655,955,772</u>	<u>70,433,335,200</u>

43 CONTINGENT LIABILITIES

According to Notice No. 155/KTNN-TH dated 8 February 2018 of the State Audit in relation to the audit results of the financial statements for the year ended 31 December 2016 and activities relating to the management and the usage of the capital and assets of the State in 2016 of the Company and its subsidiaries, the State Audit requested the Company to make dividend payment for the undistributed post-tax profits up to 2016 (after the State Audit's adjustments) to Stage Budget for the Ministry of Industry and Trade's ownership of 89.59% with the amount of VND2,495 billion and to non-controlling interest shareholders for their ownership of 10.41% with the amount of VND289 billion.

According to Decision No. 1034/QĐ-BCT dated 9 November 2017 of the Ministry of Industry and Trade, during the year 2017, the Ministry of Industry and Trade divested its capital at the Company. On 27 December 2017, the investor settled the amount of VND109,965,627,840,000, to obtain the ownership of 343,642,587 shares equivalent to 53.59% of share capital of the Company. On 29 December 2017, Vietnam Beverage Company Limited, a company established in Vietnam, with the ownership of 343,642,587 shares equivalent to 53.59% of share capital of the Company, officially became the largest shareholder of the Company; and the Ministry of Industry and Trade now owns 36.0024% of share capital of the Company.

According to Article 135 of Corporate Law No. 68/2014/QH13 dated 26 November 2014 ("Corporate Law"), the Annual General Meeting has the highest authority in a joint stock company and has the power to decide the annual dividend payout ratio for each kind of share.

Accordingly, the Board of Directors of the Company is of the view that the dividend payout ratio to the Ministry of Industry and Trade and to the non-controlling interest shareholders has not yet been approved at the Annual General Meeting. Therefore, the Company did not have sufficient basis on which to recognise these dividend payables. As a result, the Company only disclosed the matter as contingent liability on the consolidated financial statements. As at the date of the consolidated financial statements, the Company is still in the process of seeking guidance from relevant authorities about this matter.

44 RESTATEMENTS AND COMPARATIVE FIGURES

Based on the Notice No. 155/KTNN-TH dated 8 February 2018 of the State Audit in relation to the audit results of the financial statements for the year ended 31 December 2016 and activities relating to the management and the usage of the capital and assets of the State in 2016 of the Company and its subsidiaries, the Board of Directors decided to restate certain items on the consolidated financial statements for the financial year ended 31 December 2016.

Additionally, certain comparative figures have been reclassified to conform to the current year's presentation following the guidance of Circular No.200/2014/TT-BTC ("Circular 200") dated 24 December 2014 issued by the Ministry of Finance.

44 RESTATEMENTS AND COMPARATIVE FIGURES (continued)

a) **The impact of the reclassifications and restatements on the consolidated balance sheet as at 31 December 2016 is as follows:**

Code	Items	As previously reported VND	Reclassified VND	Restated VND	As restated VND
100	CURRENT ASSETS	10,714,345,997,642	8,144,087,115	(19,897,282)	10,722,470,187,475
130	Short-term receivables	1,090,133,038,030	-	351,086,615	1,090,484,124,645
136	Other short-term receivables	401,803,944,623	-	351,086,615	402,155,031,238
140	Inventories	2,126,217,402,717	8,144,087,115	-	2,134,361,489,832
149	Provision for decline in value of inventories	(44,827,866,537)	8,144,087,115	-	(36,683,779,422)
150	Other short-term assets	878,848,938,176	-	(370,983,897)	878,477,954,279
152	Value Added Tax to be reclaimed	133,496,752,127	-	(370,983,897)	133,125,768,230
200	NON CURRENT ASSETS	8,478,519,181,688	(8,144,087,115)	1,902,427,454	8,472,277,522,027
210	Short-term receivables	38,348,696,296	(20,868,879,905)	-	17,479,816,391
219	Provision for doubtful debts – long-term	(17,472,127,344)	(20,868,879,905)	-	(38,341,007,249)
220	Fixed assets	5,462,593,961,444	9,493,862,491	1,802,343,852	5,473,890,167,787
221	Tangible fixed assets	4,478,036,884,064	9,493,862,491	1,323,502,888	4,488,854,249,443
222	Historical cost	9,163,284,050,415	23,319,969,545	-	9,186,604,019,960
223	Accumulated depreciation	(4,685,247,166,351)	(13,826,107,054)	1,323,502,888	(4,697,749,770,517)
227	Intangible fixed assets	984,557,077,380	-	478,840,964	985,035,918,344
228	Historical cost	1,098,567,100,615	-	423,000,000	1,098,990,100,615
229	Accumulated amortisation	(114,010,023,235)	-	55,840,964	(113,954,182,271)
230	Investment properties	66,481,409,593	(9,493,862,491)	-	56,987,547,102
231	Historical cost	94,694,434,487	(23,319,969,545)	-	71,374,464,942
232	Accumulated depreciation	(28,213,024,894)	13,826,107,054	-	(14,386,917,840)
240	Long-term assets in progress	76,788,901,460	-	78,063,600	76,866,965,060
242	Construction in progress	76,788,901,460	-	78,063,600	76,866,965,060
250	Long-term investments	1,938,640,880,750	20,868,879,905	-	1,959,509,760,655
254	Provision for long-term investments	(447,509,484,884)	20,868,879,905	-	(426,640,604,979)
260	Other long-term assets	895,665,332,145	(8,144,087,115)	22,020,002	887,543,265,032
262	Deferred income tax assets	121,282,629,367	-	22,020,002	121,304,649,369
263	Long-term substituted equipment, supplies and spare parts	18,027,097,333	(8,144,087,115)	-	9,883,010,218
270	TOTAL ASSETS	19,192,865,179,330	-	1,882,530,172	19,194,747,709,502

44 RESTATEMENTS AND COMPARATIVE FIGURES (continued)

a) The impact of the reclassifications and restatements on the consolidated balance sheet as at 31 December 2016 is as follows (continued):

Code	Items	As previously reported VND	Reclassified VND	Restated VND	As restated VND
300	LIABILITIES	6,759,685,108,734	-	139,127,829,096	6,898,812,937,830
310	Short-term liabilities	6,473,888,596,700	-	139,127,829,096	6,613,016,425,796
311	Short-term trade accounts payable	1,876,185,779,562	144,057,086,869	(4,080,822,854)	2,016,162,043,577
313	Tax and other payables to the State Budget (*)	803,768,788,712	-	167,365,795,211	971,134,583,923
314	Payable to employees	265,148,741,919	-	(340,742,718)	264,807,999,201
315	Short-term accrued expenses	375,961,711,691	(144,057,086,869)	(5,326,787,439)	226,577,837,383
319	Other short-term payables	1,288,893,414,226	-	(18,489,613,104)	1,270,403,801,122
400	OWNERS' EQUITY	12,433,180,070,596	-	(137,245,298,924)	12,295,934,771,672
410	Capital and reserves	12,433,142,670,596	-	(137,245,298,924)	12,295,897,371,672
421	Undistributed earnings	3,852,925,251,055	-	(139,198,509,918)	3,713,726,741,137
421a	- Undistributed post-tax profits of previous years	2,229,887,250,407	(593,029,168,372)	-	1,636,858,082,035
421b	- Post-tax profit of current year	1,623,038,000,648	593,029,168,372	(139,198,509,918)	2,076,868,659,102
429	Non-controlling interest	1,046,201,260,887	-	1,953,210,994	1,048,154,471,881
440	TOTAL RESOURCES	19,192,865,179,330	-	1,882,530,172	19,194,747,709,502

(*) The adjustment of VND167,365,795,211 mainly included the additional business income tax that the Company is required to pay. In the view of the State Audit, the additional special income tax ("SST") that the Company had paid for its subsidiaries and associates for the years from 2007 – 2009 was considered to be not deductible for business income tax calculation for 2016 because the Ministry of Finance instructed the Company to use the undistributed post-tax profits as of 2015 to make the payment to the State Budget for the additional SST of the years from 2007 - 2009. However, the Company treated the entire amount of additional SST of the years from 2007 – 2009 as deductible for business income tax of 2016.

44 RESTATEMENTS AND COMPARATIVE FIGURES (continued)

b) The impact of the restatements on the consolidated income statement for the financial year ended 31 December 2016 is as follows:

Code	Items	As previously reported VND	Reclassified VND	Restated VND	As restated VND
01	Sales	30,603,273,412,475	-	(827,095,919)	30,602,446,316,556
02	Less sales	(34,595,644,700)	(101,156,935,013)	-	(135,752,579,713)
10	Net sales	30,568,677,767,775	(101,156,935,013)	(827,095,919)	30,466,693,736,843
11	Cost of sales	(22,301,142,642,021)	-	1,488,032,366	(22,299,654,609,655)
20	Gross profit	8,267,535,125,754	(101,156,935,013)	660,936,447	8,167,039,127,188
25	Selling expenses	(2,781,731,453,998)	101,156,935,013	8,668,168,214	(2,671,906,350,771)
26	General and administration expenses	(781,828,733,942)	-	917,707,210	(780,911,026,732)
30	Net operating profit	5,692,001,485,641	-	10,246,811,871	5,702,248,297,512
31	Other income	128,295,160,294	-	10,319,169,650	138,614,329,944
32	Other expense	(112,898,420,059)	-	(620,799,991)	(113,519,220,050)
40	Net other income	15,396,740,235	-	9,698,369,659	25,095,109,894
50	Net accounting profit before tax	5,707,398,225,876	-	19,945,181,530	5,727,343,407,406
51	Business income tax - current	(254,202,906,344)	-	(157,212,500,455)	(411,415,406,799)
52	Business income tax - deferred	(798,606,579,969)	-	22,020,002	(798,584,559,967)
60	Net profit after tax	4,654,588,739,563	-	(137,245,298,923)	4,517,343,440,640
	In which:				
61	Profit after tax attributable to the Company	4,477,971,866,799	-	(139,198,509,917)	4,338,773,356,882
62	Profit after tax attributable to non-controlling interests	176,616,872,764	-	1,953,210,994	178,570,083,758

44 RESTATEMENTS AND COMPARATIVE FIGURES (continued)

c) The impact of the restatement on the consolidated cash flows statement for the financial year ended 31 December 2016 is as follows:

Code	Items	As previously reported VND	Restated VND	As restated VND
CASH FLOWS FROM OPERATING ACTIVITIES				
1	Net accounting profit before tax	5,707,398,225,876	19,945,181,530	5,727,343,407,406
	Adjustments for:			
02	Depreciation and amortisation	633,843,505,732	(1,379,343,852)	632,464,161,880
08	Operating profit before changes in working capital	5,362,990,363,421	18,565,837,678	5,381,556,201,099
09	Increase in receivables	(106,157,403,769)	19,897,282	(106,137,506,487)
11	Decrease in payables	(2,728,864,307,435)	(186,915,733,057)	(2,915,780,040,492)
17	Other payments on operating activities	(347,987,375,203)	43,779,402,093	(304,207,973,110)
20	Net cash inflows from operating activities	843,923,832,739	(124,550,596,004)	719,373,236,735
CASH FLOWS FROM INVESTING ACTIVITIES				
21	Purchases of fixed assets and other long-term assets	(280,897,550,560)	124,550,596,004	(156,346,954,556)
30	Net cash outflows from investing activities	(1,128,007,854,530)	124,550,596,004	(1,003,457,258,526)
50	Net decrease in cash and cash equivalents	(4,491,141,016,519)	-	(4,491,141,016,519)

Apart from restatements of the consolidated financial statements for the year ending 31 December 2016 following the State Audit's result, the Group also restated the disclosure for cost of goods manufactured by factor as follows:

	As previously reported VND	Restated VND	As restated VND
Raw material costs	19,389,038,176,140	(13,993,737,163,201)	5,395,301,012,939
Labour cost	1,440,162,367,017	(49,258,960,943)	1,390,903,406,074
Depreciation and amortisation expenses	633,843,505,732	(1,379,343,852)	632,464,161,880
Outside service expenses	2,294,642,444,456	37,183,083,485	2,331,825,527,941
Others	2,440,751,983,587	(2,077,247,044,700)	363,504,938,887
	<u>26,198,438,476,932</u>	<u>(16,084,439,429,211)</u>	<u>10,113,999,047,721</u>

According to Circular 200, for trading companies, disclosure for cost of goods manufactured by factor does not include merchandise costs. The Group has restated this disclosure for the year ended 31 December 2016 as required by Circular 200.

SAIGON BEER – ALCOHOL – BEVERAGE CORPORATION

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The consolidated financial statements were approved by the Board of Directors on 2 April 2018.



Hoang Thanh Van
Preparer



Nguyen Tien Dung
Chief Accountant



Nguyen Thanh Nam
General Director